Sarah Baartman
DISTRICT MUNICIPALITY
Province of the Eastern Cape

progress through development

FINAL

ANNUAL REPORT

2024/2025

CONTENTS

ABBREVIATIONS:

AFS = Annual Financial Statements
AG = Auditor General
AGSA = Auditor General of South Africa
ANC = African National Congress
BAAM = Business Adopt a Municipality
BAC = Bid Adjudication Committee
BCDA = Blue Crane Development Agency
BCRM = Blue Crane Route Municipality
BEE = Black Economic Empowerment
CBO = Community Based Organisation
CDDA = Cacadu District Development Agency
CFO = Chief Financial Officer
COGTA = Co-operative Governance and Traditional Affairs
CSIR = Council for Scientific and Industrial Research
DA = Democratic Alliance
DAC = District Aids Council
DCF = District Communicators Forum
DEDEAT = Department of Economic Development, Environment and Tourism
DM = Disaster Management / District Municipality
DoRA = Division of Revenue Act
DSRAC = Department of Sport, Recreation and Culture
DST = District Steering Committee
LRED = Local and Regional Economic Development
DTI = Department of Trade and Industry
IDZ = Industrial Development Zone
DWC = District Womens' Caucus
ECSECC = Eastern Cape Socio Economic Consultative Council
ECPTA = Eastern Cape Parks and Tourism Agency
EEP = Employment Equity Plan
EHS = Environmental Health Service
EPWP = Extended Public Works Programme
EXCO = Executive Committee
FY = Financial Year
GCIS = Government Communications and Information Systems
GDP = Gross Domestic Product

GIS = Geographical Information System
GRAP = Generally Recognised Accounting Practice
GVA = Gross Value Add
HCT = HIV Counselling and Testing
HR = Human Resources
ICT = Information and Communication Technology
IDC = Industrial Development Corporation
IDP = Integrated Development Plan
IGR = Intergovernmental Relations
KPA = Key Performance Area
KPI = Key Performance Indicator
LAC = Local Aids Council
LED = Local Economic Development
LM = Local Municipality
LTO = Local Tourism Organisation
LUM = Land Use Management
MAYCO = Mayoral Committee
MEC = Member of Executive Council
MFMA = Municipal Finance Management Act
MFMIP = Municipal Finance Management Internship Programme
MHS = Municipal Health Service
MIG = Municipal Infrastructure Grant
MM = Municipal Manager
MOU = Memorandum of Agreement
MPAC = Municipal Public Accounts Committee
MRM = Moral Regeneration Movement
MSA = Municipal Systems Act
mSCOA = Municipal Standard Chart of Accounts
MTSF = Medium Term Strategic Framework
N/A = Not applicable
NGO = Non-Governmental Organisation
NMMU = Nelson Mandela Metropolitan University
OTP = Office of the Premier
PAA = Public Audit Act
PCF = Premier's Co-ordinating Forum
PGDP = Provincial Growth and Development Plan
PMS = Performance Management System
PMU = Project Management Unit
PRO = Public Relations Officer
PSC = Project Steering Committee
REDI = Rural Economic Development Initiative
RRAMS = Rural Road Asset Management System
S A = South Africa
SALGA = South African Local Government Association
SAPS = South African Police Services
SBDM = Sarah Baartman District Municipality
SCM = Supply Chain Management
SDBIP = Service Delivery and Budget Implementation Plan
SDF = Spatial Development Framework
SEEDS = Socio-Economic and Enterprise Development Strategy
SETA = Skills Education Training Authority
SHRMP = Strategic Human Resource Management Plan
SLA = Service Level Agreement
MSIG = Municipal Systems Improvement Grant
SMME = Small, Medium, Micro Enterprise
SOE = State Owned Enterprise
SPLUMA = Spatial Planning Land Use Management Act
SRVM = Sundays River Valley Municipality
TK = TASK (Tuned Assessment Skills and Knowledge)
UG = Unemployed Graduates

UGP = University Grants Programme
WSA = Water Services Authority
WSP = Workplace Skills Plan

CHAPTER 1 – EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

I am honoured to present the Sarah Baartman District Municipality's Annual Report for the 2024/25 financial year. This report reflects our unwavering commitment to improving the well-being of our communities through consistent service delivery, strategic development initiatives, and effective responses to the challenges we continue to face.

During the past year, the District has made significant progress in fulfilling its service delivery targets as outlined in our Service Delivery and Budget Implementation Plan (SDBIP). Guided by the District Development Model (DDM), we continue to strengthen collaboration between all spheres of government. Building on the successful signing off of our One Plan, this financial year saw further strides in aligning development efforts across our local municipalities to ensure maximum impact for our communities.

A major highlight of 2024/25 has been the District's appointment as implementing agent for two key infrastructure projects. The first is the upgrading of informal settlements in four of our local municipalities, undertaken in partnership with the Department of Human Settlements. This initiative will improve living conditions, restore dignity, and lay the foundation for sustainable human settlements. The second is the upgrading of the Makana Taxi Routes, in collaboration with the Department of Transport. This critical project will enhance road infrastructure, improve commuter safety, and contribute to the local economy by boosting accessibility and trade.

We remain mindful of the ongoing threat of natural disasters. While the drought that gripped our District for years has eased, we continue to experience flooding, fires, and damaging winds. In response, we have strengthened our disaster management capabilities. This included the procurement of additional vehicles and equipment and the continued implementation of a Memorandum of Agreement with Masikhathalelaneni NPC to enhance our disaster relief interventions. These measures reflect our commitment to safeguarding our communities and ensuring timely, effective responses when emergencies arise.

Our Expanded Public Works Programme (EPWP) remains a lifeline in creating job opportunities and alleviating poverty. Through this programme, we provided employment opportunities for residents in different municipalities, with projects that also supported the improvement of local infrastructure and services.

We also continued to prioritise tourism, which is the second-largest contributor to our District GDP. In 2024/25, we supported numerous tourism-related events and provided financial assistance to Local Tourism Offices and SMMEs, helping to strengthen this vital sector. These efforts sustain livelihoods, attract visitors, and promote our District as a destination of choice.

We are acutely aware of the socio-economic challenges facing our communities, particularly the devastating effects of substance abuse. To counter these challenges, we have continued to invest in sporting initiatives as a way to unite communities, promote healthy lifestyles, and provide young people with opportunities for growth and development.

None of these achievements would have been possible without the hard work and commitment of our Councillors, Mayoral Committee, management team, and staff members. Your dedication ensures that Sarah Baartman District Municipality continues to fulfil its legislative mandate and provide vital support to our local municipalities and communities.

As we reflect on 2024/25, this Annual Report stands as a testament to our collective progress and shared vision for a resilient, inclusive, and prosperous District. We remain committed to working hand in hand with our partners and communities to ensure that no one is left behind.

We are very proud that Sarah Baartman District Municipality achieved an Unqualified Audit Report without findings, ie Clean Audit.

Cllr. Deon de Vos
Executive Mayor

1.1 MUNICIPAL MANAGER'S FOREWORD AND OVERVIEW

INTRODUCTION

The guidelines of Circular 63 which is issued by National Treasury (NT) stipulate that the Annual Report (AR) is moulded in accordance to such. Municipalities are therefore required to set specific targets in which their performance will be measured against. These include the carrying out of their responsibilities in terms of legislation, the implementation of projects and programmes, the contribution to improving the socio-economic conditions of the communities in their jurisdiction. In the case of the Sarah Baartman District Municipality (SBDM) this would result in an assessment of whether the SBDM is able to fulfil its functions including its support to local municipalities.

The District Municipality has a crucial role in co-ordinating the efforts of all spheres of government to ensure equitable development across the district. The SBDM can therefore be regarded as the centre of co-ordination. Creating an enabling environment for established business, small business, farming, tourism to flourish is a crucial responsibility of the three spheres of government.

This Executive Summary therefore lays out a broad overview of the performance of the District Municipality during the financial year under review. The Organisational Performance Scorecard in Chapter 3 of this Annual Report provides, amongst other things, the performance indicators, the target of each indicator, and whether the target has been achieved or not achieved. In the instance where targets have not been achieved, explanations and reasons have been provided.

The Integrated Development Plan (IDP) is the strategic blueprint for the work of the municipality. Each year Council approves a budget. This budget provides the necessary financing to implement the priorities of the institution. The year under review is the fourth year of the implementation of the IDP for this term of the Council. The priorities of the municipality for the current five-year term are, Basic Service Delivery and Infrastructure, Local Economic Development, Good Governance and Public Participation, Municipal Transformation and Organisation Development and Financial Viability. The priorities and projects that were approved are reflected in the Service Delivery and Budget Implementation Plan (SDBIP) which serves as the institutional scorecard. The Municipal Manager as Accounting Officer is responsible to ensure that the SDBIP is implemented.

The performance of the institution is reflected in the Annual Performance Report contained in this Annual Report. The District Municipality has performed very well in the year under review. Details of the performance of the institution are found in the annual performance report (component K page 84)

Hence, this Annual Report will indicate that some projects have been fully implemented in the year under review. Hence the performance of the municipality can be best be considered as good for the year under review, the District Municipality have again received an unqualified without findings audit opinion.

DISTRICT DEVELOPMENT MODEL

DISTRICT DEVELOPMENT PLAN

The State President in the 2019 Presidency Budget Speech (2019) identified the "pattern of operating in silos" as a challenge which led to "lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult". The consequence has been non-optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and employment. The President further called for the rolling out of "a new integrated district-based approach to addressing our service delivery challenges and localised procurement and job creation, that promotes and supports local businesses, and that involves communities…" The President is cognisant of the fact that such an approach will require that "National departments that have district- level delivery capacity together with the provinces … provide implementation plans in line with priorities identified in the State of the Nation address".

The District Level Model builds on the White Paper on Local Government (1998), which locates the role of local government as critical in "rebuilding local communities and environments, as the basis for a democratic, integrated, prosperous and truly non-racial society". Therefore, the model is a practical Intergovernmental Relations (IGR) mechanism for all three spheres of government to work jointly and to plan and act in unison. The model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan spheres together by all three spheres of government resulting in a single strategically focused Joined-Up plan (One Plan) for each of the 44 districts and 8 metropolitan geographic spaces in the country.

The One Plan will consist of the objectives, outputs, roles and responsibilities, and commitments in terms of which all spheres and departments as well as partners will have to act and against which they will be held accountable for prioritising resources and delivering results.

SBDM District Development Plan

The purpose of the Sarah Baartman District DDM One Plan is:

i. To give effect to the **District Development Model (DDM)** approved by Cabinet as a practical method to improve service delivery and development impact in the Sarah Baartman District Municipality space through integrated planning, budgeting, and delivery by all three spheres of government working together with stakeholders and communities.

ii. To localise and synergise the **National Development Plan (NDP)**, the Medium-Term Strategic Framework (MTSF), National Spatial Development Framework (NSDF), Integrated Urban Development Framework (IUDF) and key national and provincial sector policies/strategies/plans with socio-economic and spatial development logic of the Sarah Baartman District Municipality;
iii. To express a **coherent and predictable government approach in relation to these key priorities** through a **Long-Term Strategic Framework (One Plan)** for growth and development of the Sarah Baartman District Municipality space that is co-produced by all three spheres of government together with stakeholders and communities.
iv. To enable a programmatic Intergovernmental Relations approach in relation to Sarah Baartman District Municipality through implementation of the One Plan that will serve as an impact performance framework tracking the commitments and spending of national and provincial sector departments and the Sarah Baartman District Municipality according to the **shared vision** and desired future development of Sarah Baartman District Municipality and its people.
v. To create an **environment** which is conducive for **investment**.
vi. To stabilize **governance and financial management practices**

in the Sarah Baartman District This One Plan presents a cohesive planning strategy with the overall Vision 2050 being:

> **"By 2050 the Sarah Baartman District will be a vibrant and productive district based on its participative, people-centred, developmental approach.**
>
> *A district steeped in agricultural wealth and opportunity, well renowned for its diverse and rich tourism industry, and a leading light in alternative and renewable energy creation. Our district will deliver efficient public services, educational opportunities and health support grounded in our commitment to ensure a truly democratic dispensation for all our people."*

The vision is supported by a number of sub-visions to highlight the importance of the **six key development goals** being:

- Demographic change and people development
- Economic positioning
- Spatial restructuring and environmental sustainability
- Infrastructure engineering
- Integrated service provisioning
- Governance and finance

Each of these development goals has been attributed specific strategies and also received a set of indicators or targets to which the district can constantly aspire to achieve, and which will also create the opportunity to constantly measure our progress and success rate.

The second draft iteration was submitted to SBDM council on 29 March 2023 and was adopted.

Together with the EC COGTA District office for Sarah Baartman, 4 workstreams have been established to ensure the Vision and goals of the SBDM DDP are implemented.

- The four workstreams are:

  Economic Positioning
  Public Development
  Governance and Finance
  Infrastructure

OVERSIGHT BY COUNCIL

The Council, led by the Speaker, is the highest decision-making body. The Council approves the IDP, SDBIP, Budget and policies that govern the work of the municipality. The Mayoral Committee, comprising of the Executive Mayor and the five full-time councillors, is responsible to ensure that the IDP and Budget and policies are implemented, and objectives of Council are achieved.

Although there are no standing committees or portfolio committees, the District Municipality involves its councillors to serve in Intergovernmental forums. Special committees are also set up to deal with specific tasks. The Audit Committee and the Municipal Public Accounts Committee (MPAC) play key oversight roles. The Woman's Caucus was established in 2018. This Committee champions the aspirations of all women and ensures that matters affecting women are prioritised within the municipality.

POWERS, FUNCTIONS AND ROLES

The role as well as the powers and functions of district municipalities are set out in the Municipal Structures Act, 1998 (Act 117 of 1998). Section 83(3) of the Municipal Structures Act emphasises that the district municipality must support and capacitate local municipalities in its area of jurisdiction. Section 84(1) of the Municipal Structures Act indicates the powers and functions of district municipalities.

In the Sarah Baartman District area, many of the municipal services that relate directly to communities have been assigned to the seven local municipalities. The provision of water, sanitation, electricity, refuse collection and disposal, maintenance of roads within the towns and residential areas, the provision of community service such as, maintenance of parks, swimming pools are all functions of the local municipalities. The Provincial Government is responsible for the provision of Primary Health Care and ambulance services in the district. The provision of library services is the competence of the Province and local municipalities are appointed as the agents.

The below table illustrates the municipal powers and functions of the Local Municipalities:

Municipal Powers &Functions	SBDM	BCR	DRBN	KLM	KKM	MLM	NLM	SRV
Water		Y	Y	Y	Y	Y	Y	Y
Sanitation		Y	Y	Y	Y	Y	Y	Y
Municipal health	Y			Y			Y	
Electricity reticulation		Y	Y	Y	Y	Y	Y	Y

Air Quality		Y	Y	Y	Y	Y	Y	Y
Building regulation		Y	Y	Y	Y	Y	Y	Y
Childcare facilities	Y	Y	Y	Y	Y	Y	Y	Y
Fire fighting	Y	Y	Y	Y	Y	Y	Y	Y
Tourism	Y	Y	Y	Y	Y	Y	Y	Y
Municipal airports / landing strips		Y				Y	Y	
Municipal Planning	Y	Y						
Public Transport	Y	Y	Y	Y	Y	Y	Y	Y
Disaster Management	Y							
Storm Water		Y	Y	Y	Y	Y	Y	Y
Trading Regulations		Y	Y	Y	Y	Y	Y	Y
Beaches and amusement facilities		Y	Y	Y	Y	Y	Y	Y
Billboards and Advertisement		Y	Y	Y	Y	Y	Y	Y
Cemeteries, parlours, and crematories		Y	Y	Y	Y	Y	Y	Y
Cleansing		Y	Y	Y	Y	Y	Y	Y
Traffic		Y	Y	Y	Y	Y	Y	Y
Street lighting		Y	Y	Y	Y	Y	Y	Y
Street trading		Y	Y	Y	Y	Y	Y	Y
Refuse removal and solid waste disposal		Y	Y	Y	Y	Y	Y	Y
Public spaces/ places		Y	Y	Y	Y	Y	Y	Y

INTERGOVERMENTAL RELATIONS

The Council and the Municipal Manager also responsible to ensure that the objectives of the Intergovernmental Relations Framework Act are achieved and that is done through collaborations and working relations with other spheres of government. The Councillors and officials of the District Municipality also participate in various structures and working groups. Continual and crucial engagements occurred throughout the year with the National Government, Provincial Government, and local municipalities mainly through physical and virtual platforms.

The dominant focus areas in intergovernmental relations during from 2024/2025 to now are mainly the District Development Plan and its Implementation as well as Gender Base Violence (GBV).

FINANCING THE BUDGET

The above paragraphs clearly indicate that the SBDM is not directly involved in direct service delivery to communities. As a result, it is unable to levy tariffs and charges against users of municipal services. It is therefore largely dependent on government funding to perform its functions.

As part of the budgeting processes the SBDM had to utilize interest income and some of its reserves to finance its operations and assist with projects. This practice is unsustainable, and the District Municipality has made a concerted effort to source revenue streams in order to improve the situation.

The financial performance of the municipality is highlighted in the Financial Overview.

PARTNERSHIPS

During the year under review the District municipality has received delegations from Sweden and China.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Water and Sanitation

WATER SERVICES: Annual Performance as Per Key Performance Indicators in Water Services

The functions of Water Services Authority and Water Services Provision do not lie within the Sarah Baartman District Municipality but rather with Local Municipalities under the district. All functions associated with water and sanitation services are carried out by Local Municipalities.

The primary role and objective of the Sarah Baartman District is that of support and coordination in capacitating local municipalities in their roles of provision of basic water supply and basic sanitation as outlined in the Water Services Act.

District Municipality Key Projects for 2024/2025

During the current financial year reporting, the district did not initiate any projects in terms of water and sanitation but rather attended to emergency requests from local municipalities in terms of provision of portable drinking water and provision of basic sanitation services where local municipalities were struggling to sources funds.

Support Provided by the district to local municipalities in water services:

- The district, in partnership with the department of water and sanitation hosted workshops, aimed to encourage and assist local municipalities to draft their own water and policies and bylaws. Through submissions by local municipalities, it was found that most local municipalities under the district to not have their own water policies but rather bylaws which were outdated.

  One on one sessions were held with municipalities where each local municipality drafted their tailored water policy which would then be presented to internal structures and follow their individual the policy adaptation process.

- Through quarterly community engagements the district was able to visit Ndlambe LM, Makana LM, Kouga LM, Koukamma LM and Sundays River Vally LM to conduct water and sanitation educational awareness campaigns, the message being to promote conservation of water and saying No to vandalism and theft of water and sanitation infrastructure.

- Water Services Support Ndlambe Local Municipality:

  R1 000 000 was allocated to Ndlambe LM to assist in refurbishing Nkwenkwezi Water Pump Station which had been vandalized.

Nkwenkwezi Water Pump Station

- Water Service Support Koukamma Local Municipality

  Internal Funding

The Clarkson Water Treatment Plant which had been vandalized, deeming the plant nonfunctioning was allocated an amount of R 400 000.00 to replace water pumps, electric cables and replace control panels which were vandalized to provide treated drinking water for the community of Clarkson.

Under ISUP PROGRAM
- Refurbishment of existing reservoir
- Provision of 196 households' standpipes
- Construction of 217 VIP low-flush toilets

Clarkson Water Treatment Works

➢ Water Service Support Blue Crane Route LM

Water backup pumps and accessories were procured for blue crane municipality for the orange fish Water Treatment Plant

Water pumps Blue Crane Route LM

Local Municipality	Service Description	Budget Allocation
Ndlambe LM	Refurbishment WPS	R 1 000 000.00
Blue Crane Route LM	Procurements of Water Pumps	R 400 000.00
Koukamma LM	Refurbishment WTW	R 400 000.00
	Water Harvesting Tanks Langkloof S.S. S	R 46 000.00

Major Challenges in Water Services

The Sarah Baartman District's water infrastructure is characterized by aged and deteriorating water systems. Many water supply networks, pipelines, and treatment plants are in a state of disrepair, leading to frequent leakages, inefficiencies, and service disruptions.

The existing water supply systems are unable to cope with the growing demand for water. The district has a low population density causing the composition of water schemes to be scattered amongst each individual settlement, water schemes are not centralized. There is a total of 44 water supply schemes serving more than 125 000 households.

Water availability and more so quality are critical factors for sustainable development, public health, and economic growth. The most challenging factor that continues to set municipalities back and undermine any progress made is vandalism and theft of water infrastructure. Electrical cables for access to the copper component, water pumps and even boundary fences are removed.

Local municipalities struggle with adequate budgeting for maintenance and operations for water services the increased in vandalism and theft exacerbates the situation causing a never-ending loop of replacing existing infrastructure before their life span have been reached.

SANITATION SERVICES: Annual Performance as Per Key Performance Indicators in Sanitation Services

As with water services, the district does not administer the function of sanitation services, however the district is mandated to carry out a strategic objective to capacitate Local Municipalities in improving sanitation services and providing a basic level of access to sanitation to its communities.

Support Provided by the district to local municipalities in sanitation services:

- Most prominent requests received by the district from local municipalities are requests to undertake maintenance of sewer mains in terms of unblocking and general maintenance of sewer pump stations and wastewater treatment facilities.

- The district intervened in Sundays River Valley where local citrus farmers were not seeing eye to eyes with the Sundays River Valley municipality due to untreated sewage that was being deposited to orchards causing early degradation of the fruits.

Local Municipality	Service Description	Budget Allocation
Sunday River Valley LM	Sewer Challenges	R 1 300 000.00
Koukamma LM	Repair to Sewer Truck	R 80 000.00
	Sewer Maintenance	R 800 000.00
Dr Beyers Naude LM	Maintenance of WWTW and Ponds	R 2 277 000.00
Makana LM	Procurement of Sewer Truck	R 1 500 000.00
	Alicedale WTW	R 100 000.00
	Riebeek East Maintenance of Pit Toilets	R 180 000.00

➢ Educational awareness campaigns help quarterly in each municipality with the message being to promote sanitation practices which are good for infrastructure and the environment and saying no to vandalism

Water and Sanitation Education campaign Kouga and Makana LM

Major challenges in Sanitation Services

The Sarah Baartman District faces significant challenges in providing adequate and reliable sanitation services to its residents. Existing sewer systems are often aging and poorly maintained, leading to frequent blockages, leaks, and overflows. This disrupts service delivery and contaminates water sources.

In addition, many sewer treatment plants operate at or above design capacity, struggling to handle wastewater and effectively treating effluent to a standard that is fit to discharge and is not harmful to the environment. The above-mentioned challenges require increased investment in sanitation services to upgrade and expand the sanitation infrastructure.

Vandalism and theft of infrastructure play a bit role in delaying efforts to renew and upgrade sanitation infrastructure, budget that is meant for maintenance goes toward reactiveness in replacement of stolen goods.

Relocation of SBDM Offices

With regards to the relocation of the SBDM to Addo, the land for development has been identified. The Sarah Baartman DM is collaborating with the Department: Public Works and Infrastructure (DPWI) for the construction of the offices in Addo, Sundays River Valley.

The Department of Public Works and Infrastructure has assisted SBDM with the design concept and has committed in supporting the District Municipality with provision professional consulting services for the detailed designs. The detailed designs are yet to be completed due to various challenges experienced during the financial year.

Spatial Planning

The implementation of the Spatial Planning and Land Use Management Act (SPLUMA) is to ensure historic imbalances are addressed and sustainable development in planning is always promoted. SDF is an important tool for creating a long-term, sustainable framework for territorial and socio-economic development.

During the year under review, the Draft Addo Precinct Plan has been delayed, and procurement was only finalized in the 3rd Quarter. Service Provider has been appointed, Inception report approved 1st PSC meeting held on 10 June 2025. The final draft to be completed in the 1st quarter 202526, submitted to Council for consultation process and approved by SBDM Council in January 2026

Roads

In Roads Infrastructure, meaningful progress has been made in relation to the implementation of the project called “Rehabilitation of Various Taxi Routes in Makana LM”. Rehabilitation of 4.2 kms of M Street, Albert Street and Ncame Street in Makana Local Municipality Progress has been as follows:

41% Rehabilitation of 4.2 kms of M Street, Albert Street and Ncame Street in Makana Local Municipality completed. Contractor suspended the work for three months due to delayed by Department of Transport.

Road visual condition assessment for all 7 local municipalities has been completed and road maintenance plans compiled.

Community Services

Environmental Health is a function of the district municipality; the District Municipality terminated the agency agreements with five of its local municipalities and absorbed the affected staff from the Local Municipalities. Kouga LM and Ndlambe LM continue to provide the service and are funded for this responsibility based on the per capita of each area.

Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jansenville, Dr Beyers Naude Local Municipality including Recruitment of 32 Community Workers completed.

40 EPWP participants were recruited in Kouga LM to clear illegal damping in Jeffrey's Bay and the project was completed in December 2024. The 32 Community workers was increased to 40 due to the Ward Cllr requested that more workers be appointed due to high unemployment rate in the area. The refuse bins was not provided due to non-availability of budget.

25 EPWP participants were recruited in Koukamma LM to clear illegal dumping in Misgund and Krakeel and the project was completed in December 2024. The refuse bins was not provided due to non-availability of budget.

100% HIV/AIDS Plan implemented through, HCT (HIV Counselling and Testing), TB (Tuberculosis)and STI (Sexually Transmitted Infections) GBV (Gender Base Violence), Anti-Substance Abuse Campaigns through community Dialogues and Door to Door campaigns in the District and LM's

Disaster Management

The Disaster Management Act 57 of 2002 indicates that each metropolitan and each district municipality must establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area by- (a) the municipality and statutory functionaries of the municipality, including, in the case of a district municipality, the local municipalities and statutory functionaries of the local municipalities in its area; (b) all municipal entities operating in its area; (c) all non-governmental institutions involved in disaster management in its area; (d) the private sector. A district municipality must establish its disaster management framework after consultation with the local municipalities in its area. Sarah Baartman District Municipality has established Disaster Management Satellite Centers and divided them into regions. Makana LM and Ndlambe LM (Eastern Region), Sundays River Valley LM and Blue Crane Route LM (Central Region), Kouga LM and Koukamma LM (Western Region) and Dr Beyers Naude LM as Northern Region).

In terms of Section 84 (1) (j) of the Municipal Structures Act, the district municipality is mandated to render firefighting services. These include planning, co-ordinating and regulation of fire services; co-ordination of the standardisation of infrastructure equipment, vehicles, and procedures; training of fire officers as well as specialised fire-fighting services such as mountain, veld and chemical fires. The Sarah Baartman District Municipality Fire Services By-Laws has been adopted by Sarah Baartman District Council and gazetted by Government Printing Works. It is inclusive of the 7 local municipalities. The district municipality has appointed the local municipalities to perform these functions as its agent. Local Municipalities are funded in terms of an approved model which takes various factors into account.

SBDM initiated various programmes which sought to mitigate disasters, and they are but not limited:

21 Fire personnel was trained including 6 youth / volunteers. In total it 27 people were trained.

Recruitment of 14 Safety Patrollers from Community Workers for Improved Security through the provision of Security Patrollers at Humansdorp Senior Secondary School in Kouga Local Municipality was done. The project was implemented in Humansdorp and Jeffreys Bay at schools with children using drugs and in gangsterism. It was implemented in partnership with

SAPS and Community Forums. We then had to divide the participants amongst the schools. The improvement was reduction of fights and confiscation of drugs and weapons.

COMPONENT G: SECURITY AND SAFETY

This component includes police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The only functions in this component performed by the SBDM are Disaster Management and Fire Services.

PLANNING AND LOCAL ECONOMIC DEVELOPMENT

Unemployment remains at an unacceptable high level. The district is unfortunately still faced with many socio-economic challenges despite our best efforts to deal with the situation. The District Municipality is collaborating with our Provincial and National departments to improve the quality of life of the communities in the district.

Through our department of Planning and Economic Development SBDM supported various SMMEs to promote economic development in many forms. The support provided was both financial and non-financial. It is important to note that the support was also extended to various organisation dealing with Tourism and Creative Industry sector.

It is very pleasing to express gratitude to the tourism sector and Independent Power Producers for their willingness to collaborate with the district and ensure job creation in our region.

The SBDM has also financially contributed towards the Cacadu Development Agency. A full report of the work, the programmes and projects of the Agency is reflected in this Annual Report.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Executive Mayor has held several stakeholder engagements and round table discussion. The purpose of those engagements was to gain insight in terms of industry needs and agree on a manner that the district will support.

The district also provided support to local municipality in terms of training of ward committees. Also, municipalities were assisted with facilitation of their strategic session and IGR sessions.

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The district staff complement as approved in the organogram consists of ninety-six [96] employees, including six [6] Interns. The number of employees fluctuates with vacant positions because of employees retiring or resigning. There are presently fifty-five [55] females and thirty-one [31] males employed at the institution as the end of June 2025. The district adopted a new Employment Equity Plan in December 2021- November 2026.

Institutional development is also a major priority. The district municipality needs to employ skilled personnel who can support local municipalities and deal with the various challenges that face the area. The District Municipality embarks on training in accordance with the Workplace Skills Plan [WSP] which is a product of employee Skills Auditing and agreed Personal Developmental Plans. There is a dedicated budget allocated for the development and training of both Councillors and Officials within a financial year.

The process of completing job descriptions and grading jobs continue to improve due to the appointment of the Job Evaluation Co-ordinator in 2022. In May 2024, the Coordinator's contract was extended for one (1) year in order to finalise the grading of jobs. A District Job Evaluation Committee has been trained, and grading sessions are held every month, where jobs from the Local Municipalities and SBDM are evaluated. The results are audited externally, with the confirmed grades being implemented in the respective Municipalities.

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Sarah Baartman District Municipality [SBDM] undertook an extensive organizational review during the 2023/2024 financial year. During the IDP review process, an item is written reflecting how the municipal organogram is structured to ensure service delivery goals are achieved, the right mix of business strategies is adopted and the right fit of appointed employees is carried out successfully. Furthermore, The Municipal Staff Regulations for Local Government of 2021, specifies the requirements that municipalities must undergo before an organogram can be adopted by Council:

1. All municipalities had to adhere to the Municipal Staff Regulations of 2021 (MSR 2021).
2. The deadline for the approval of an organogram was approved with comments in May 2023 following the concurrence by COGTA. The SBDM Council adopted the structure effective from 1 July 2023.
3. All material decisions adopted around the organizational structure seek to focus on long-term financial sustainability of the municipality and to reduce appropriations for infrastructure and other projects

No Organizational Structure was conducted during 2024/2025 financial year. The existing structure is detailed:

1. Five (5) frozen positions,
2. Three (3) new positions, and
3. Nine (09) unfunded positions

After the submission of the approved structure was submitted to the MEC for comments

The new focus was to provide more hands-on support to the local municipalities to improve their service delivery and financial management.

SUPPORT TO LOCAL MUNICIPALITIES

District municipalities have an obligation to assist local municipalities within their demarcated areas by building their capacity to perform their functions and exercise their powers where such capacity is lacking. Capacity Building and Support to the seven Local Municipalities in the District is of primary importance to Sarah Baartman District Municipality and is one of its focus areas. The main aim of the Capacity Building Strategy is to build in-house capacity in local municipalities and to support them so that they can perform their functions. Another goal is to strengthen their institutional and corporate governance systems.

The function of building the capacity of local municipalities is entrusted to the Municipal Manager and the three Directors. Hence capacity building initiatives are performed and managed in all Departments of the SBDM.

FINANCIAL OVERVIEW

The Municipality's Statement of Financial Position for the year ended 30 June 2025 indicates that the Municipality is still maintaining a strong financial position through practical and sensible financial management approaches and effective corporate governance strategies.

Its cash management record over many years is excellent and the unappropriated surplus (R160.9m) is fully cash backed as detailed below:

	Cash Backed Unappropriated Surplus Balance 30 June 2025 R/m	**Cash Backed Unappropriated Surplus Balance 30 June 2025 R/m**
General (includes post-employment medical benefit provision of R59.4m)	5.2m (includes an amount of R55.1m which is ring-fenced for long term medical benefit liabilities and is not available for allocation)	5.1m (includes an amount of R54.3m which is ring-fenced for long term medical benefit liabilities and is not available for allocation)
TOTAL	**5.2m**	**5.1m**

The Council had a deficit of R14.9m (2024: R9.8m) in the financial year for the institution. This was mainly due increased expenditure and lower grant income compared to the prior year. Income for the year amounted to R143.m (2024: R139.6m), whilst expenditure on projects and services stood at R157.8m (2024: R149.5m).

The District Municipality's final adjusted budget amounted to R414.8m. The under spending on the operating budget is due to slow implementation on infrastructure-related projects and other projects funded from the operating account.

The revenue is made up of external and internal sources of income. The external source of income consists mainly of unconditional grants consisting of the Levy Replacement Grant and Equitable Share amounting to R77.7m (2024: R74.7m) and R35.5m (2024: R36.3m) respectively. The Municipality generates its own internal income from mainly interest income and rentals which amount to R10.m (2024: R15.m) and R0.132m (2024: R0.150m) respectively. The budget is spent on the operational and capital expenditure. The largest expenditure from the operating budget emanates from Payroll Costs which amounted to R60.4m (2024: R55.6m). Due to the nature of its functions, the Council does not have its own revenue streams and is almost totally dependent on grant funding.

U. DANIELS

MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Sarah Baartman District Municipality (SBDM) is the largest (58 243 km^2) of the six (6) District Municipalities in the Eastern Cape Province. The district is situated in the western portion of the province, bordering the Western Cape, Northern Cape and two other District Municipalities in the Eastern Cape, namely Chris Hani District Municipality and Amathole District Municipality.

The district consists of seven (7) local municipalities and three other portions that are National Parks, namely the Addo Elephant National Park, the Tsitsikamma National Park and Camdeboo National Park. These parks are managed by the South African National Parks Board[1]. There are seven Category "B" municipalities in the district. The district wholly surrounds the Nelson Mandela Metropolitan Municipality (NMMM), except on the coastal side. Consequently, access via land to the Nelson Mandela Metro is through the Sarah Baartman district.

The Sarah Baartman District constitutes approximately 7.3% (Global Insight 2024) of the population of the Eastern Cape Province. The District is dominated by a Karoo landmass resulting in low population densities and scattered, small inland towns. There are higher densities along the coast and in urban centres.

Services in the Sarah Baartman District are primarily rendered by the local municipalities. The District Municipality invests in its Local Municipalities in terms of infrastructure; community services; economic development and capacitating Local Municipalities.

Unemployment in the Sarah Baartman District is estimated at 76 900 (32.81) as per Global Insight Figures (2022). Census 2011 estimated unemployment in the Sarah Baartman District at 22%. However, this figure excludes discouraged job seekers. This shows that there has been an increase in unemployment between 2011 and 2022 in the district. Based on recent surveys of STATS SA as well as by ECSECC indicate that this figure has increased steadily due to the poor economic climate that South Africa currently finds itself in. Due to its rural nature, a large proportion of the population in the Sarah Baartman District is employed in the Agriculture sector. There has also been a significant growth in the Tourism sector with resultant employment opportunities.

Sarah Baartman – Key Statistics (CENSUS 2022)

Name	2022	2011
Total population	533 253	450 584

[1]The National Parks in the District do not form part of the 2010 demarcation exercise. All national parks are excluded from disestablishment.

Young children (0-14 years)	23,8%	27,2%
Working age population (15-64 years)	65,9%	65,8%
Elderly (65+ years)	10,3%	7,0%
Dependency ratio	51,7	52,0
Sex ratio	90,7	95,6
No schooling (20+ years)	4,9%	7,5%
Higher education (20+ years)	11,7%	8,0%
Number of households	158 404	125 628
Average household size	3,4	3,6
Formal dwellings	90,9%	85,7%
Flush toilets connected to sewerage	87,7%	73,6%
Weekly refuse disposal service	85,1%	78,7%
Access to piped water in the dwelling	64,4%	51,0%
Electricity for lighting	95,2%	87,3%

Key Findings

Population

- The overall population size of Sarah Baartman District Municipality has increased since 2011 by 18.3 % or by 82 669 people.

Age Distribution

- The number of young children (0-14) decreased from 27.2 % in 2011 to 23.8% in 2022; while the working age remained stable at 65.8% in 2022 compared to 65.9% in 2011 and the elderly increased from 7% in 2011 to 10.3% in 2022. The percentage decrease in young children was almost identical the percentage increase in the elderly.

Sex Ratio

- The sex-ratio decreased from 95,6 in 2011 to 90,7 in 2022 indicating a decrease in the number of males per 100 females in the population.

Households

- The number of households increased by 26% (32 776 households) but the number of people within a household remained stable with a slight decrease from 3,6 in 2011 to 3,4 in 2022.

Housing and Infrastructure

- The number of formal dwellings increased from 87.3% in 2011 compared to 95.2% in 2022.
- Access increased for all the following: flush toilets (73,6% 2011 compared to 87,7% in 2022); weekly refuse (78,7% in 2011 compared to 85,1% in 2022); accessed to piped water (51,0% in 2011 compared to 64,4% in 2022) and electricity for lighting (87,3% in 2011 compared to 95,2% in 2022).

POPULATION DETAILS AND SETTLEMENTS IN SARAH BAARTMAN DISTRICT

Local Municipalities	Main Settlements	Census 2011	Community Survey 2016	CENSUS 2022
Dr Beyers Naude	Graaff-Reinet, Jansenville, Willowmore	79 291	82197	101 001
Blue Crane Route	Somerset East, Cookhouse, Pearston	36 002	36063	49 883
Makana	Grahamstown, Alicedale, Riebeeck-East	80390	82 060	97 815
Ndlambe	Port Alfred, Kenton-on-Sea, Bushmans River, Alexandria	61 176	63180	87 797
Sundays River Valley	Kirkwood, Addo, Paterson	54 504	59 793	53 256
Kouga	Jeffreys Bay, Humansdorp, Hankey, Patensie, St Francis	98 558	112 941	107 014
KouKamma	Joubertina, Kareedouw, Louterwater	40 663	43 688	36 487
SBDM		450 584	479 922	533 253

Households

HOUSEHOLDS BY DWELLING UNIT TYPE - DR BEYERS NAUDE, BLUE CRANE ROUTE, MAKANA, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA LOCAL MUNICIPALITIES, 2022 [NUMBER]

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available

material.

- **Other dwelling units** - tents, ships, caravans, etc.
-

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Dr Beyers Naude	11,076	12,460	130	424	70	24,160
Blue Crane Route	5,009	6,088	42	165	22	11,326
Makana	10,627	12,309	457	1,114	110	24,617
Ndlambe	6,197	15,345	440	1,189	116	23,287
Sundays River Valley	5,318	13,682	259	1,436	83	20,778
Kouga	24,956	9,967	1,227	3,811	586	40,548
Kou-Kamma	9,557	4,462	187	236	94	14,536
Total Sarah Baartman	**72,740**	**74,313**	**2,742**	**8,374**	**1,083**	**159,252**

Source: South Africa Regional eXplorer v2443. Data compiled on 15 Jan 2024.

The region within the Sarah Baartman District Municipality with the highest number of very formal dwelling units is the Kouga Local Municipality with 25 000 or a share of 34.31% of the total very formal dwelling units within Sarah Baartman District Municipality. The region with the lowest number of very formal dwelling units is the Blue Crane Route Local Municipality with a total of 5 010 or a share of 6.89% of the total very formal dwelling units within Sarah Baartman District Municipality.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Services in the Sarah Baartman District are primarily rendered by the local municipalities. These include water, sanitation, electricity, road maintenance and community services.

The District Municipality is responsible for Environmental Health and Fire Services in terms of section 84(1)(i) and section 84(1)(j) of the Municipal Structures Act, respectively. Agency agreements have been entered into with the seven local municipalities in the District to render these services.

PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

This information is available from the Annual Reports of local municipalities, as the local municipalities in the Sarah Baartman District are responsible for basic services.

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW – See Executive Summary: Municipal Manager's Overview page 10-16

OPERATING RATIOS – See KPA 4 page 153.

TOTAL CAPITAL EXPENDITURE: YEAR 2024/2025 TO YEAR 2025/2026 – See Notes 39 page 60 of Annual Financial Statements

CAPITAL EXPENDITURE – The District Municipality's capital expenditure is only linked to assets used for operations and excludes infrastructural assets. All infrastructural assets through the implementation of capital projects are Capitalised by the local municipalities.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Sarah Baartman District Municipality [SBDM] undertook an extensive organizational review during the 2023/2024 financial year. During the IDP review process, an item is written reflecting how the municipal organogram is structured to ensure service delivery goals are achieved, the right mix of business strategies is adopted and the right fit of appointed employees is carried out successfully. Furthermore, The Municipal Staff Regulations for Local Government of 2021, specifies the requirements that municipalities must undergo before an organogram can be adopted by Council:

4. All municipalities had to adhere to the Municipal Staff Regulations of 2021 (MSR 2021).
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6. All material decisions adopted around the organizational structure seek to focus on long-term financial sustainability of the municipality and to reduce appropriations for infrastructure and other projects

No Organizational Structure was conducted during 2024/2025 financial year. The existing structure is detailed:

4. Five (5) frozen positions,
5. Three (3) new positions, and
6. Nine (09) unfunded positions

After the submission of the approved structure was submitted to the MEC for comments

The new focus was to provide more hands-on support to the local municipalities to improve their service delivery and financial management.

1.6. AUDITOR GENERAL REPORT

The Sarah Baartman District Municipality received an unqualified audit report with no material findings (Clean Audit Opinion) in respect of the 2024/2025 financial year. The full audit report is contained in Chapter 6 of this annual report – Page 106-113.

The District Municipality operated in a very stable political environment. The governance structures were all in place and operated effectively.

There are effective internal controls and systems which result in reliable information.

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Time Frame
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July 2024
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit Draft Annual Report 2023/2024 to Internal Audit and Auditor-General	August 2024

5	Mayor tables the unaudited Annual Report	August 2025
6	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
7	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
8	Auditor General audits draft Annual Report including consolidated Annual Financial Statements and Performance data	September/October 2025
9	Municipalities receive and start to address the Auditor General's comments	December 2024- January 2026.
10	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
11	Audited Draft Annual Report is made public and representation is invited	
12	Oversight Committee (MPAC) assesses Annual Report	February/March 2026
13	Council adopts Oversight report	
14	Oversight report is made public	
15	Oversight report is submitted to relevant provincial councils	
16	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January 2026

COMMENT ON THE ANNUAL REPORT PROCESS:

For the prior years there has been aligned between the IDP and Budget. Programmes and projects of the IDP are reflected in the Service Delivery and Budget Implementation Plan (SDBIP) and feed into the Performance Management Agreements of senior officials. Performance Management is executed throughout the institution and all employees have Performance Agreements/Plans.

CHAPTER 2

CHAPTER 2 - GOVERNANCE

INTRODUCTION TO GOVERNANCE

All spheres of government must provide effective, transparent, accountable and coherent government for the Republic of South Africa to secure the well-being of its people and the progressive realisation of their rights to a healthy environment, water, housing, sanitation, refuse collection, health care services, education and social security. This is in line with the objectives of the Constitution and other pieces of legislation.

Evaluating the ongoing effectiveness of public officials or public bodies ensures that they are performing to their potential, providing value for money in the provision of public services, instilling confidence in the government and being responsive to the community.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The SBDM recognises that good governance is a key priority in the District. The SBDM also embraces the principles of the Back-to-Basics programme that emphasizes good governance. Several governance structures exist in the municipality.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Council is the highest decision-making body in the municipality. There are thirty councilors. Eighteen councilors come from the seven local municipalities. Twelve councilors are elected on the proportional representation basis. The Council is ultimately responsible for the approval of the IDP and Budget, Annual Report and other important decisions of the institution, such as the approval of policies and bylaws, sale of immovable property. The Council is led by the Speaker.

The SBDM has an Executive Mayoral system which allows for the exercise of executive authority through an Executive Mayor in whom the executive leadership of the municipality is vested. The Executive Mayor is assisted by a Mayoral Committee. This committee is responsible for most of the day-to-day decisions of the municipality.

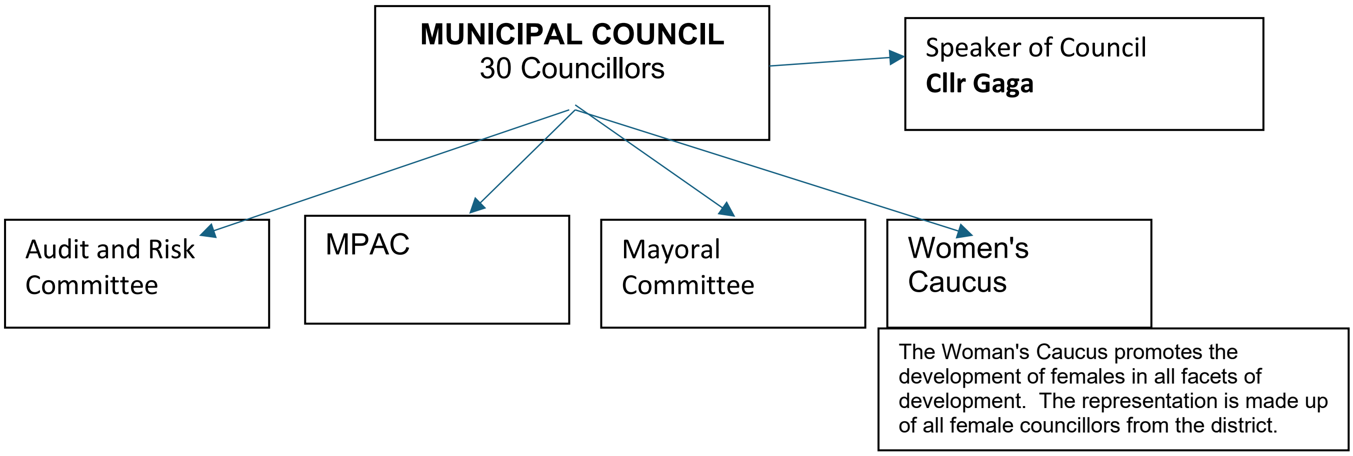
There is an Audit and Risk Committee (Section 79 Committee) that provides oversight over the financial affairs and performance and risks faced by of the institution. A report from the Audit Committee is included in this Annual Report. There is also an Anti-Corruption and Fraud Prevention Committee which is a sub-committee of the Audit and Risk Committee.

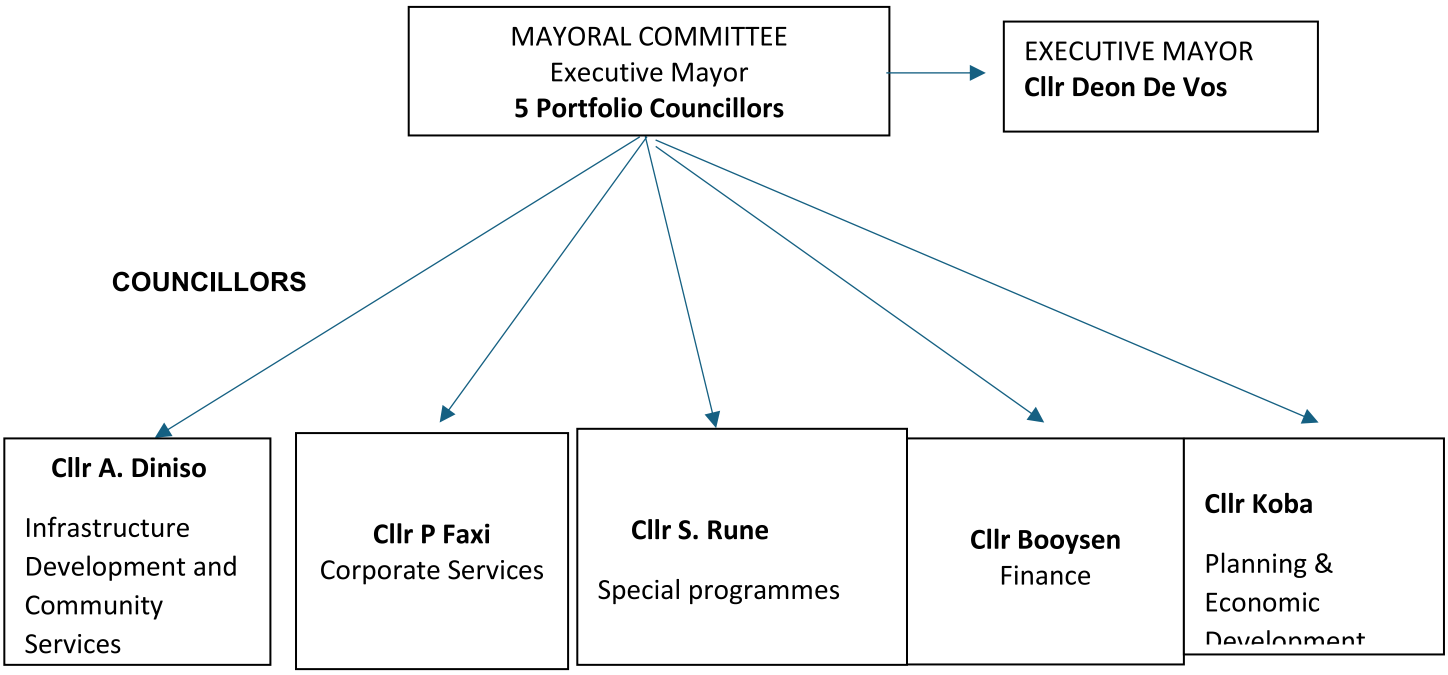
The SBDM has a Municipal Public Accounts Committee (MPAC), which comprises of non-executive Councillors. The MPAC also oversights various reports from the Council and Audit Committee and conducts assessment and verification of projects implemented by the SBDM.

One of the tasks of the MPAC is to assess the Annual Report and to provide recommendations thereon. The MPAC report will be published separately in accordance with MFMA guidelines.

The Women's Caucus promotes the development of females in all facets of development. The representation is made up of all female councilors from the district municipality.

Governance





As stated above the SBDM has 30 Councillors, 18 of which represent local municipalities and 12 of whom are proportional representative Councillors. A full list of Councillors can be found in **Appendix A** page 117.

There are no portfolio committees. All matters are entrusted to the Mayoral Committee. However, there are many structures that exist that allow other Councillors to participate, i.e. the District Wide Infrastructure Forum, District Support Team for Economic Development etc.

POLITICAL DECISION-TAKING

The Speaker oversees the legislative arm of the municipal council. This means that she guards the integrity of the legislative process and plays an important role in the oversight that the council must exercise over the actions of the executive. She is also responsible for ensuring that the municipality fulfills its public participation responsibilities.

All decisions are taken by the Council, or the Executive Mayor in consultation with the Mayoral Committee, or senior officials in terms of authority delegated by legislation and/or the delegations of authority. The council has delegated a considerable amount of authority to the Executive Mayor. The Mayoral Committee also makes recommendations to Council on matters which have not been delegated to it.

As the executive authority of the council, **the Executive Mayor** provides political guidance over the budget and financial affairs as well as the implementation of policy of the municipality.

All decisions of Council are implemented by the **Municipal Manager** and Management.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is ultimately responsible for the administration of the institution. The Municipal Manager is the Accounting Officer of the municipality for the purposes of the Municipal Finance Management Act. He provides guidance on compliance with this Act and all other legislation applicable to local government to political structures, political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The Office of the Municipal Manager is the driving force behind the Sarah Baartman District Municipality's administration and integrates all the different components of the municipality to be able to carry out both strategic and operational plans. The Municipal Manager is also responsible for supporting the Office of the Executive Mayor and the Office of the Speaker.

There are three departments in the institution, namely Finance and Corporate Services, Infrastructure Development and Community Services as well as Planning and Economic Development. They are aligned in terms of the development priorities of the Municipality. The work of these departments are highlighted in this Annual Report.

There are also functions entrusted to the Office of the Municipal Manager. These include:

- Capacity building and support to LMs
- Special programmes (youth, women and persons living with disabilities);
- Intergovernmental relations;
- Communication;
- Performance management;
- Internal Audit;
- Risk Management;
- HIV and Aids;
- Programmes in the Office of the Speaker including Public Participation, outreaches to communities on various issues (legislation, demarcation etc), Moral Regeneration, Initiation Season, Gender based violence and 16 days of activism, awareness of the COVID-19 pandemic, addressing social issues and other programmes.

OFFICE OF THE MUNICIPAL MANAGER

Municipal Manager, Mr D M Pillay until 28 February 2022. Replaced by Ms Unati Daniels 1 June 2022

Infrastructure Development and Community Services Department	Finance and Corporate Services Department	Planning and Economic Development
Ms O. Kwababana Director: Infrastructure Development and Community Services 1 September 2023	**Mrs K Abrahams** **Director: Finance and Corporate Services**	**Mr D. Magxwalisa** **Director: Planning and Economic Development (from 1 January 2023)**

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Sarah Baartman DM recognises the importance of Intergovernmental Relations to improve service delivery to communities. Success in delivering government services to the people requires an integrated approach in which the three spheres of government work in collaboration and partnership with each other in terms of the principles of co-operative governance and intergovernmental relations in terms of Chapter 3 of the Constitution of the Republic of South Africa and other pieces of legislation.

The SBDM is required to compile a District Development Plan. This process commenced in this financial year. This process must lead to integrated development. This matter is covered in greater detail in the Overview of the Municipal Manager.

2.3 INTERGOVERNMENTAL RELATIONS

In the current environment of COVID-19 much of the engagement around intergovernmental relations is done through the virtual platforms.

NATIONAL INTERGOVERNMENTAL STRUCTURES

The SBDM participates in the meetings and workshops called by National Departments and SALGA. These meetings are convened to consult with local government on matters of legislation, policy and programmes of government. Participation is by both political and administrative representatives. In addition, the SBDM is required to co-ordinate outreaches to local municipalities and communities of the district by the National departments and SALGA.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Executive Mayor represents the SBDM Premier's Co-ordinating Forum, the Political MUNIMEC comprising Province and all local municipalities in the Eastern Cape Province. In addition, the Executive Mayor and Portfolio Councillors are required to participate in the other intergovernmental forums of the Provincial Government.

The Speaker of Council also plays a key role in representing the institution and the local municipalities in the provincial intergovernmental structures. These include being a member of the Provincial Speakers' Forum and other provincial forums convened in line with the programmes of the Office of the Speaker.

Most of the above structures are supported by a Technical Structure which is attended by the Municipal Manager and senior officials.

Since the onset of the COVID-19 pandemic, the Extended Premiers Co-ordinating Forum convenes almost every week. The Executive Mayor, Municipal Manager and other officials are always part of such meetings. The senior officials also participate in the Provincial Disaster Operations Centre.

In addition the district municipality participates in forums that are dedicated for a specific purpose. These include:

- Provincial Steering Committee on EPWP
- Provincial Disaster Management Advisory Forum
- Provincial Forum on Environmental Health
- Provincial Forum for Planning
- Provincial Legal Services Forum
- Provincial Information, Communication and Technology Forum
- Provincial Communicators Forum

Meetings of the above structures are convened by the Provincial Government.

In addition, the Council is represented on all SALGA Working Groups in the Eastern Cape.

DISTRICT INTERGOVERNMENTAL STRUCTURES

In order to comply with legislative requirements and fulfill its obligations in terms of co-operative governance and intergovernmental relations, the Sarah Baartman District Municipality has established a number of district structures

- the Sarah Baartman District Mayors' Forum (DIMAFO) comprising of the Mayors of the local municipalities in the district
- the Sarah Baartman District Speakers Forum comprising of Speakers of the local municipalities in the district

Other District-wide intergovernmental forums have been established for specific purposes. They comprise of both Councillors, officials and includes sector departments

- District Wide Infrastructure Forum
- District Support Team for Local Economic Development
- IDP Representative Forum

- EPWP Regional Steering Committee
- Sarah Baartman District Health Authority (SBDHA)
- District HIV and AIDS Council

At a Technical Level, the forums include the

- Municipal Managers' Forum
- Chief Financial Officers' Forum
- District Communicators Forum

The SBDM also leads the Independent Power Producers Forum. Much attention was also given to the deal with the compilation of the District Development plan in consultation with the Sector departments and the seven local municipalities. The Intergovernmental Relations Policy is due for a review and update.

MUNICIPAL ENTITIES

The SBDM has a Municipal entity, i.e. the Cacadu District Development Agency (CDDA). The entity was established on 1 July 2013. Their primary goal is to embark on projects and programmes to promote economic growth and job creation to deal with the socio-economic challenges that face the District. Annually the SBDM allocates a grant to the CDDA to cover its operational and programme costs. The relationship between the SBDM and its municipal entity is governed by a Service Level Agreement, which sets out the roles and responsibilities of both parties, including –

- Main development objectives
- Reporting lines
- Monitoring of implementation of main development objectives and related performance objectives
- Financial management
- Compliance with legislation

The CDDA is also required to source its own funds and ensure its own sustainability. The operations of the CDDA are covered elsewhere in this Annual Report.

COMPONENT C: PUBLIC PARTICIPATION AND PROGRAMMES OF THE OFFICE OF THE SPEAKER

PUBLIC PARTICIPATION

The function of public participation resides with the Office of the Speaker. These include public hearings on legislative changes, engagements on the municipal demarcation processes, taking parliament to the people, initiation season, gender-based violence and 16 days of activism programmes, challenges of farm dwellers, IEC engagements, and the like. These outreaches are supported by government departments, depending on the issue at hand and the nature of the information to be disseminated.

OUTREACH CAMPAIGNS

Several outreach engagements with communities have also occurred led by the Executive Mayor and Speaker of Council.

The issues covered during these engagements include service delivery challenges in the local municipal areas, the lack of housing, the shortage of land, educational challenges at schools and social challenges.

Gender based violence still also formed part of the main topic during outreaches.

Other outreaches occurred through our HIV/AIDS Coordinator's programme in all our Local Municipalities.

All outreaches take the form of integrated campaigns requiring the attendance of local municipality representatives, provincial government, and other stakeholders.

MORAL REGENERATION MOVEMENT (MRM)

Both the District structure and the local structures agreed on the various programmes that will be implemented in the local municipalities, and all conducted programmes are aimed at reviving moral fiber amongst communities in the region.

2.4 STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT WITH LOCAL MUNICIPALITIES AND OTHER ORGANISATIONS

The SBDM's primary constituents are its local municipalities. Engagements with local municipalities occur through the intergovernmental structures as indicated previously. The SBDM also engages with stakeholders other than local municipalities. These include organized Agriculture, Non-Governmental Organisations, Organized Business and organisations that serve specific interest groups. The SBDM's interaction with communities is normally done in consultation with the local municipalities.

MAYORAL COMMITTEE IDP AND BUDGET OUTREACH TO LOCAL MUNICIAPLITIES

The Mayoral Committee led by the Executive Mayor and officials of the District Municipality once again conducted IDP and Budget outreaches in the seven local municipalities in the District. The purpose of the outreach was to present the draft IDP and Budget of the District Municipality to the Councillors and stakeholders of each local municipality. Sessions were held with local municipality Councillors and stakeholders representing various community groups, who were given an opportunity to raise issues. Issues that are highlighted are responded to and dealt with by referring them to the relevant sphere of government.

WARD COMMITTEES

Ward committees are the responsibility of local municipalities. The number of wards per local municipality in the district is as follows

Blue Crane Route LM	6

Dr Beyers Naude LM	14
Kouga LM	15
Koukamma LM	6
Makana LM	14
Ndlambe LM	10
Sundays River Valley LM	8

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria	**Yes/No**
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
** Section 26 Municipal Systems Act 2000*	

2.5A COMMUNICATION AND PUBLIC RELATIONS

COMMUNICATION

The Sarah Baartman District Municipality has developed communication as a strategic function and has established effective communication systems and structures. During the 2017/2018 there was extensive consultation on the organogram of the municipality as to whether the institution is appropriately structured to carry out its functions. The post of the Public Relations Officer was abolished and replaced with that of a Communication Officer. The public relations duties are performed by the Communication Officer. [The organogram was approved on the 4 July 2018]. The incumbent was appointed on 01 May 2020 although the job evaluation and grading process is still underway. The incumbent is also required to coordinate the communications system within the district as the district does not have a Head of Communications position currently. The incumbent reports directly to the Municipal Manager.

The communication strategy of the Sarah Baartman District Municipality is reviewed every five years. The new strategy has been compiled in consultation with Government Communications and Information Systems (GCIS). A communication strategy workshop was held in June 2022 for management and council. The strategy was adopted by Council in October 2022. The strategy is aligned to the Integrated Development Plan (IDP) in that the development priorities of the Sarah Baartman District Municipality inform the messaging, themes and channels of communication. The Sarah Baartman District Municipality communications is aligned with the National Government Communications Policy which was adopted by Cabinet in 2018 and updated in 2025.

Communication objectives

The communication objectives of SBDM seeks to support and express the development priorities identified, which feeds into the overall vision of the district municipality, namely to be an innovative and dynamic municipality striving to improve the quality of life for all communities in the District. The communication objectives therefore are the following:

- To increase understanding of the work, role and mandate of the Sarah Baartman District Municipality amongst both internal and external stakeholders across the district.
- To encourage public participation in government processes and policies.
- To generate and maintain good relationships with the media.
- To manage the reputation of the Sarah Baartman District Municipality.
- To influence negative perceptions of stakeholders by continually communicating service delivery achievements and successes.
- To facilitate and encourage two-way communication between the Sarah Baartman District Municipality and its stakeholders, both internal and external.
- To raise awareness about various government programmes.

In 2024/25 the management of the website, which includes project management of the website, it's operation and updating, was transferred to the Communications Officer.

A total of 4 official District Communicators Forum meetings were convened, with participation by both government departments and Local Municipalities. The Sarah Baartman District Municipality also assists local municipalities in development of their communications strategies and policies.

The various components of the communication function have been decentralized within the institution, with the different responsibilities being assigned as follows:

	Responsibility
Media Relations Media statements on behalf of the Municipality, Social media management of the Municipal social media accounts, Media liaison in terms of media invitations to events and media interviews, responding to media queries.	Communication Officer (MM is the official spokesperson)
Communications Research Content Development and Management Media Monitoring and Communication Environmental Analysis Speech Writing Website Content Management Branding and Corporate ID Distribution of key messages for Campaigns and Projects	Communication Officer Communication Officer MM's Office Communication Officer Communication Officer Communication Officer
Corporate Communications and Marketing Internal and External Communications (Community newspaper and internal newsletter) Marketing (institution and its services) Events Management Convening the District Communicators Forum and Support to Local Municipalities	Communication Officer Communication Officer Communication Officer, Speaker's Officer, MM's Office Communication Officer
Outreach and Community Liaison Inter-Governmental Relations Outreach Programmes Community Liaison Imbizo Stakeholder's Liaison and Mobilization Local Government Communication	Municipal Manager Speaker's Office and Mayor's Office Speaker's Office Speaker's Office Speaker's Office and MM's Office MM's office

The Communications function includes all activities related to communication, marketing, publicity and media co-ordination for the Municipality and the District (geographical area). It includes:

- Promoting the Municipality by providing sufficient information to the public and staff about Municipal issues.
- Coordinating municipal events such as project launches and handovers.
- Promoting and managing the Municipality's corporate identity and public image.
- Formulating and maintaining the Municipality's Communication Strategy, while also assisting the Local Municipalities in this regard.

- Stakeholder management and media liaison.
- Production of a community newsletter.
- Internal communication.
- Photography and branding.

<u>Strategic objectives</u>:

- Build good relationships between the Municipality and identified target publics (internal as well as external) and stakeholders.
- To further public understanding about the Municipality's services, policies, procedures, goals and activities.
- To uphold the image and reputation of the Municipality.

<u>Key issues for 2024/25 financial year</u>:

- The publication of external newsletter.
- Profiling service delivery success.
- Media liaison relevant journalists and community newspapers and radio stations.
- Supporting local municipalities to ensure that all have reviewed their communication strategies.
- Updating and maintenance of the municipal website of the Sarah Baartman Municipality.
- Maintenance and marketing on social media platforms.
- Providing communication, branding and media support to district events.
- Development and implementation of media campaigns for municipal programmes.
- Annual coordination of the design and production of branded calendars and diaries including stationery and municipal branding.

Number of personnel associated with the Communication function:

1 Communication Officer

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS:

Section 75(1)(a) – (l) of the MFMA is fully complied with, in that all content required to be placed on the municipal website is done so except for those that are not applicable to the Municipality.

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices and processes by which an institution is directed and controlled. Corporate governance essentially involves balancing the interests of all stakeholders. Since corporate governance also provides the framework for attaining an institution's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

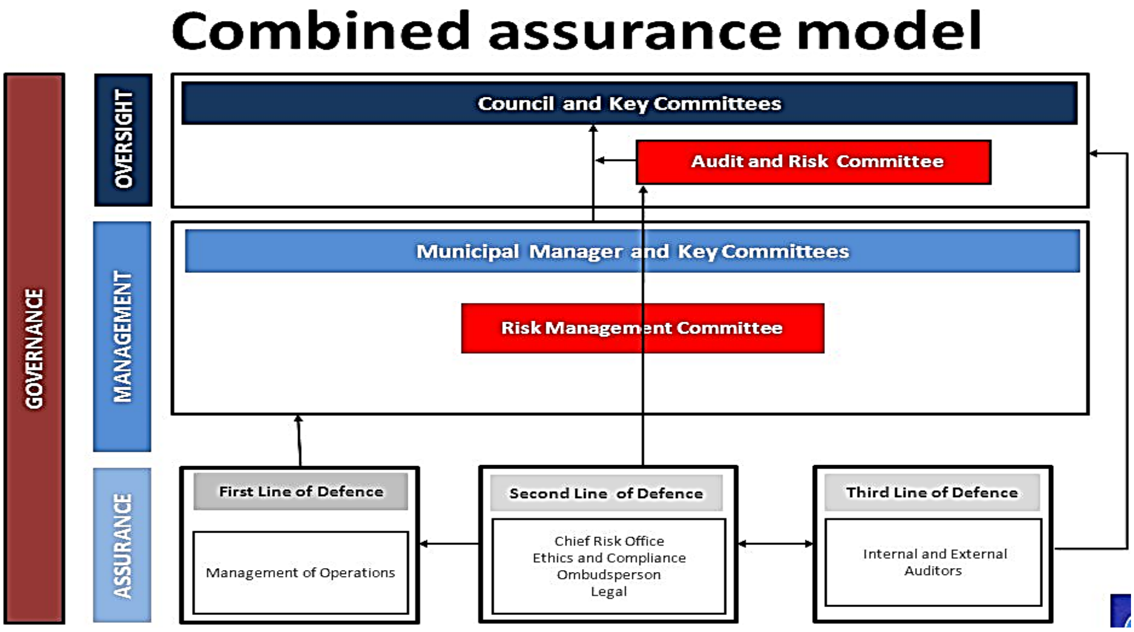
The municipality has incorporated the combined assurance model to a great extent but acknowledges that the ultimate model is yet to be achieved.

The municipality understands the Combined Assurance Model as incorporating and optimising all assurance services and functions so that, taken as a whole, these enable an effective control environment, support the integrity of information used for decision-making by management, the governing body and its committees; and support the integrity of the organisation external reports.

Some of the benefits envisaged by the implementation of this model is as follows –

- Coordinated and relevant assurance efforts are directed to the risks that matter most.
- Commitment to enhance controls is demonstrated.
- Dashboards that provide an integrated, insightful view.
- Assurance activities produce valuable, integrated data, based on collaboration and not silos.
- Reduction in assurance costs through elimination of duplication and better resource allocation.
- Resources are not wasted on unnecessary duplication.
- A reduction in the repetition of reports by different committees, resulting in improved and more efficient reporting.
- A comprehensive and prioritised approach in tracking of remedial actions on identified opportunities/weaknesses.
- Clarity on risk and audit.

The municipality considers the combined assurance model depicted below as a good starting point where corporate governance can only be enhanced thereafter.



During the year under review the municipality operated fairly well within the combined assurance model and this can be demonstrated as follows:

Assurance

Management - meetings were held regularly where the importance of governance matters was emphasized, and continuous monitoring occurred.

Internal Audit – there was no internal audit plan by the Audit and Risk Committee due to the appointment of a internal audit service provider was only appointed on 1 May 2024

External Audit – the municipality was audited by the Auditor-General of South Africa. The municipality achieved an unqualified audit once again, referring to section 1.6

Management

The Municipal Manager provides guidance on all operational matters when required.

A performance management system is implemented for all employees and employees must be reviewed on a quarterly basis – all key internal control and governance matters are incorporated into the performance plans of the employees.

Various committees has been set up to ensure good governance, i.e. Mayoral Committee, Bid Adjudication Committee, Information Communication Technology Steering Committee, Integrated Development Plan Steering Committee, Budget Steering Committee, Investment Committee, etc.

Oversight

Council – the Council met on the approved scheduled dates of Council. Matters are deliberated extensively in Council to ensure that Councils' resolutions are in accordance with all laws and regulations. The Council has thus functioned well during the financial year.

Audit and Risk Committee – the Committee met on the approved scheduled dates and additional meetings occurred where required. The agenda of the Committee was reviewed to incorporate all pertinent reports to ensure that the Committee carries out its function in accordance with the law. The Audit Committee functioned well during the financial year.

Municipal Public Accounts Committee - the Committee met on the approved scheduled dates and additional meetings occurred where required. The Committee approved their annual plan and all reports required were availed to the Committee. The Committee also performs an oversight on the Annual Report prior to approval by the Council.

Conclusion

From the above, it is evident that the municipality is operating with a combined assurance model and that the current structures meet the minimum requirements.

The following improvements were identified and will be implemented in the following financial year –

The municipality acknowledges that risk management has not been managed effectively during the year under review and that processes must be put in place to improve risk management.

The municipality acknowledges that fraud and corruption is regarded as an inherent risk within our environment and that the necessary structures are not adequate or is not functional. Management will prioritise the establishment and functioning of the relevant structures.

2.6 RISK MANAGEMENT

Risk management is a systematic process to identify, analyses, assess, control and avoid, minimise or eliminate unacceptable risks.

Section 62(1)(c) of the MFMA places the responsibility on the Accounting Officer to take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of risk management. National Treasury has also provided guidance to municipalities on risk management and its implementation. It is important to note that Risk Management is the responsibility of the Accounting Officer and Senior Management.

Each year a risk management workshop is held with Internal Audit to identify the strategic risks of the municipality. Management identifies key risks which are then rated in terms of their probability and impact on the municipality. This process enables the Municipality to rank the risks in terms of priority and to develop appropriate strategies to mitigate risks. The Internal Auditors use the information in the risk register to draft the Internal Audit Plan.

The risk management workshop was held whereby the institutional risks were identified.

These risks were then presented to Audit and Risk Committee where it was agreed that the individual risks identified overlaps the other risks and that the risk register must be further reviewed to eliminate any duplications and to refine some technical aspects raised by the Audit and Risk Committee. The risk register was not further reviewed due to the lack of resources resulting from the challenges within the municipality.

It was noted by the Audit and Risk Committee that risk management requires improvement within the municipality and oversight on risk management will thus be prioritized to ensure that the municipality manages its risks in a more effective manner.

2.7 ANTI-CORRUPTION AND FRAUD PREVENTION

The SBDM has an Anti-Corruption and Fraud Prevention Strategy which is due for review in 2023. The municipality also established an Anti-Corruption and Fraud Prevention Committee which is chaired by the Municipal Manager. The Committee was not fully functional during the year under review. However, being a newly established Committee, it will have its first meeting in 2023.

An Awareness workshop on Anti-Fraud and Corruption were conducted through the Office of the Premier were conducted in the financial year. The Municipality was investigating the possibility of commissioning a Hotline for the SBDM where anybody can report instances of corruption, fraud, and theft. Recommendations of the Audit and Risk Committee are included in the Council agenda and are freely available to members of the public.

2.8 SUPPLY CHAIN MANAGEMENT

Introduction

The Local Government: Municipal Finance Management Act (Act No. 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with Supply Chain Management.

Although the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations or bids, Council has an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with this policy.

For the purposes of such oversight, Council's Supply Chain Management Policy, paragraph 6(3)(a) requires the Accounting Officer, within 30 calendar days of the end of the financial year end, to submit a report on the implementation of the policy to the council.

Purpose

To report on the implementation of Council's Supply Chain Management Policy to the Executive Mayor in terms of paragraph 6(3)(a) of the said Policy.

Policy Requirements

The objectives of the Policy are:

a) to give effect to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, competitive and cost effective; and

b) to comply with applicable provisions of the Municipal Finance Management Act including Municipal Supply Chain Management Regulations published under Government Gazette 27636, 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA and regulations pertaining thereto.

c) to acknowledge the provisions of:

- the Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003),

- the Competitions Act (Act No. 89 of 1998),
- the Construction Industry Development Board Act (Act No. 38 of 2000),
- the Local Government Municipal Finance Management Act (Act No. 56 of 2003),
- the Local Government Municipal Structures Act (Act 117 No. of 1998),
- the Local Government Municipal Systems Act (Act No. 32 of 2000),
- the Preferential Procurement Policy Framework Act (Act No. 5 of 2000),
- the Prevention and Combating of Corruption Activities Act (Act No. 12 of 2004)
- the Promotion of Administrative Justice Act (Act No. 3 of 2000)

Amendment of Supply Chain Management Policy

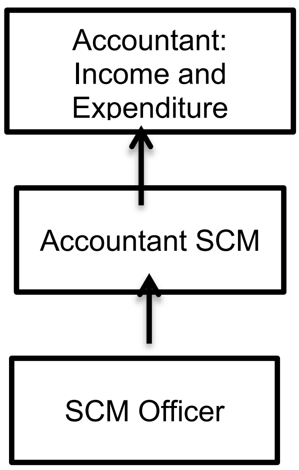
In terms of paragraph 3(1) of the Policy, the Accounting Officer must, when considered necessary, submit proposals for amendment of the Supply Chain Management Policy, to Council.

The Supply Chain Management Policy was reviewed and subsequently approved by Council on 29 March 2023.

New Preferential Procurement Policy

A new Preferential Procurement Policy was approved by Council on 29 March 2023, which takes into account the new Preferential Procurement Regulations of 2022.

Organisational Structure of SCM Unit



The Supply Chain Management Unit is fully established and functional wherein there is a Senior Accountant: Income and Expenditure, an Accountant: Supply Chain Management, and a Supply Chain Management Officer. The Supply Chain Management Unit operates under direct supervision of the Chief Financial Officer. SCM Accountant is responsible for the day-to-day management of the unit. Turn-around time on awards of quotations and bids has improved. The SCM unit is strengthening controls in terms of records management and safe keeping of the document for audit purpose.

Resignation in the SCM Unit

The following official resigned from the municipality in the year under review:

- D Domingo resigned from the SCM Officer position in October 2022.

New appointment in the SCM Unit

The following official was appointed by the municipality in the year under review:

- K Notshulwana was appointed as the SCM Officer in March 2023.

Competency Levels of the SCM Unit

Accountant SCM:	BComm. Accounting MFMP: Minimum competency level for Other Financial Officials
SCM Officer:	National Diploma in Financial Information System MFMP: Minimum competency level for other financial officials

DISCUSSION: SUPPLY CHAIN MANAGEMENT SYSTEMS

Demand Management

The Demand Management requires timely planning and management process to ensure that all goods and services which are required are quantified, budgeted for and delivered in a timely and effective manner at the right location and dates. These goods and services must be of appropriate quality and quantity at fair cost.

The SCM Unit, with the support of the Accounting Officer and the Chief Financial Officer implemented SCM via a Procurement Plan as a strategic tool to implement the budget. The procurement plan assists the SCM Unit with the planning of bid processes, and user departments with the planning of the execution and timely completion of the projects in alignment with the Service Delivery Project Implementation Plan.

In order to enhance the demand planning process, a procurement plan was developed for the 2024/25 financial year. This plan is continuously monitored.

This was attributable to the new Preferential Procurement Regulations of 2022, which required revision of the SCM Policy and the Preferential Procurement Policy.

Acquisition Management

The system of acquisition management must ensure the following:

1) that goods and services are procured in accordance with authorised processes only,
2) that expenditure on goods and services is incurred in terms of and approved budget in terms of section 15 of the Municipal Finance Management Act (Act No. 56 of 2003),
3) that the threshold values for different procurement processes are complied with,
4) that the bid documentation, evaluation and adjudication criteria and general conditions of contract are in accordance with applicable legislations, and
5) that any Treasury guidelines on acquisition management are properly considered.

Bid Committee System

A Bid Committee system for competitive bids has been established and fully operational. It comprises the Bid Specification, Evaluation and Adjudication committees. These committees meet regularly. The Accounting Officer appoints members of each committee taking into account section 117 of the MFMA.

Appeals / Objections by aggrieved bidders

Paragraph 49 of the Municipal Supply Chain Management Regulations allows the aggrieved bidders the opportunity to lodge objections (with proper motivation) against the decision(s) taken by the Bid Adjudication Committee, within 14 days from date of notification thereof. No objections were recorded in the financial year 2024/25.

Deviations from normal procurement processes

Paragraph 36(1) of the policy allows the accounting officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only:

i) In an emergency,
ii) If such goods or services are produced or available from a single provider only,
iii) For the acquisition of special works of art and historic objects where specification are difficult to compile,
iv) Acquisitions of animals for zoos and/or nature and game reserves, or
v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes.

An assessment is done by the SCM Unit before a deviation is authorised by the Accounting Officer to ensure compliance.

COMPLIANCE AND REPORTING

Advertising for suppliers to register/re-register on database

In terms of Paragraph 14 (4) of the Supply Chain Management Policy, the Accounting Officer is required to annually advertise an invitation to prospective service providers to register on the municipality's supplier database.

Advertisements were placed in the newspapers circulating in the district's local municipalities during the week ending 9 May 2022, inviting prospective service providers to register on the municipality's supplier database for 2023/2024. The municipality is also verifying all service providers online on the Central Supplier Database.

Disposal Management

The system of disposal management must ensure the following:

i) Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise,
ii) Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous,

iii) Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee,
iv) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise,
v) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed,
vi) Where assets are traded in for other assets, the highest possible trade-in price is negotiated.

Disposal management is done in terms of paragraph 40 of the Supply Chain Management Policy.

Risk Management

Risk Management includes:

i) The identification of risk on a case-by-case basis,
ii) The allocation of risk to the party best suited to manage such risk,
iii) Acceptance of the cost of the risk in pro-active manner and the provision of adequate cover for residual risk, and
iv) The assignment of relevant risks to the contracting parties through clear and unambiguous contract documentation.

Performance Management

Paragraph 42 of the SCM Policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of a retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Contract Management

MFMA Section 116(2) stipulates that the accounting officer of a municipality or municipal entity must—

(a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;

(b) monitor on a monthly basis the performance of the contractor under the contract or agreement.

The municipality formalised the implementation of Contract Management as from 1 July 2020. The primary focus of Contract Management is on SCM contracts above R200 000, which are procured through a SCM process. The following objectives were set for the financial year:

- The Sarah Baartman District Municipality Contract Management function be decentralised;
- Aligning the contract management procedures and systems with the rest of the SCM functions and applicable expenditure;
- Formalise and implement a new Contract Management Framework,
- The implementation of a contract management system.

A Contract Register is compiled, which contains information regarding the progress of the projects in terms of the SLA, together with project managers' comments.

Other Matters

SBDM is complying with the requirements of CSD, as stipulated in the MFMA Circular No. 81.

Monthly and Quarterly Reports

- Monthly Deviation Reports were submitted in terms of the SCM Policy for the procurement of goods and services.
- All the required quarterly reports and annual reports were submitted in paragraph 6 of the Supply Chain Management policy

The officials of the SCM Unit attended the following workshops/information sessions during the year under review:

The SCM Accountant and the Chief Asset Clerk attended the Provincial SCM and Asset Management Forum in East London on 21 September 2022. The aim of the form was to highlight the non-compliance areas common in the municipalities and their effect on the irregular expenditure.

Awards to close family members of persons in the service of the state

Prospective suppliers are required to declare whether they have any close family members in the service of the state. Such declaration does not prohibit the municipality from conducting business with the service provider but are disclosed in the Annual Financial Statement.

Challenges

The following challenges and constraints are in existence:

i) Poor planning by requestors results in additional pressure being put on SCM Unit, e.g., travel requirements, catering, advertisements, etc., which does not always allow for sufficient time for the SCM Unit to follow proper procurement processes.

ii) CSD still does not verify certain information, i.e., B-BBEE levels, CIDB grading, nor does the system require municipal billing clearance information.

Solutions and Way Forward

Solutions and controls for the challenges and constraints above are:

- A memorandum was forwarded to all users, informing them that SCM Unit has 5 working days in which to process an order. Therefore, all requesters must endeavour to adhere to this.

- CSD supplier reports are printed and attached to all orders, to provide assurance of certain information, e.g., restricted supplier information, tax clearance validity, in the service of the state, etc. B-BBEE levels, CIDB gradings and municipal billing clearances are requested for formal quotations and bidding processes.

Conclusion

The Sarah Baartman District Municipality has been implementing the Supply Chain Management Regulations diligently through the Supply Chain Management Policy.

Sarah Baartman District Municipality continuously strives not only to ensure compliance to legislative frameworks, but also to improve administrative and procedural efficiency, thereby giving effect to its Constitutional mandate.

2.9 BY-LAWS

No by-laws were developed during the year under review

2.10 WEBSITE

Documents published on the Municipality's Website (2023/2024)	Yes / No
Annual budget Adjustment budget	Yes
All current budget-related policies	Yes
The previous annual report (year 2022/23)	Yes
The annual report (year 2022/23) draft published.	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2023/2024) and resulting scorecards: Directors Municipal Manager	Yes
All service delivery agreements (Year 2023/2024)	Yes
All supply chain management contracts above prescribed value for Year 2023/2024	Yes
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2023/2024	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2023/2024	
Contracts agreed in Year 2024/25 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	
Public-private partnership agreements referred to in section 120 made in Year 2024/25	
All long-term borrowing contracts (Year 2024/25)	

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS:

Section 75(1)(a) – (l) of the MFMA is fully complied with, in that all content required to be placed on the municipal website is done so except for those that are not applicable to the Municipality. SBDM has developed a new website which went live April 2022. We have experienced some challenges in the development of the website and are continuing to address issues regarding the site.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

During the financial year under review, no customer satisfaction or public satisfaction surveys were conducted by the District Municipality with regard to its own functions. In addition, the public satisfaction survey that was envisaged by communities to assess the services of local municipalities did not occur.

CHAPTER 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

INTRODUCTION

As stated earlier in this report (See 1.3 Service Delivery Overview), services in the Sarah Baartman District are primarily rendered by the local municipalities. These include water, sanitation, electricity, road maintenance and community services.

See Performance Scorecard in Component K of this chapter which indicates the various projects undertaken by the SBDM, some of which pertain to these services. The projects are implemented in the local municipality areas.

COMPONENT A: BASIC SERVICES

3.1-3.6 NOT APPLICABLE AS WATER, SANITATION, ELECTRICITY, WASTE MANAGEMENT, HOUSING AND FREE BASIC SERVICES ARE PROVIDED BY LMs

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and stormwater drainage.

INTRODUCTION TO ROAD TRANSPORT

Roads, transport and stormwater drainage are not functions of the District Municipality. The SBDM however; does carry out the function of Transport Planning for the District.

The District Municipality has since compiled a District Integrated Transport Plan (DITP)with a key objective and goal is to provide appropriate and cost-effective infrastructure and services within the District, supplementing and complimentary to the infrastructure being upgraded and provided to our government. To reduce the number of traffic accidents on the Provincial Road Network, to increase accessibility and mobility to public transport and the utilization of transport services and improvement and integration of transport planning that will lead to improved efficiency and encourage our local municipalities and operators to participate in the planning process.

3.7 ROADS

In the endeavor to assist and support our Local Municipalities in the District, SBDM applied for funding to the Department of Transport for rehabilitation and upgrading of taxi routes roads for all Local Municipalities.

Our request was approved and the District was allocated an amount of R 50 000 000 for Makana Local Municipality for various taxi routes.

Consolidated Business Plan for all Makana Roads was compiled through the RRAMS that had an estimated amount of R 263mil.

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

In the SBDM, this function is limited to transport planning only. It Includes all activities related to transport planning for the entire District in accordance with the National Land Transport Act, No. 5 of 2009 (NLTA).

Statistical information not applicable as function is limited to planning only.

The road transport function of the municipality is administered by the Department: Infrastructure Development and Community Services and includes:

- Review of the Integrated Transport Plan through the provision of a five-year prioritized implementation programme for the improvement of the transportation system within the District.
- Identifying infrastructure and public transport needs in the District.
- Lobby for funding for transport infrastructure
- Promote road safety in the District.
- Construction of public transport facilities including sidewalks
- Formulate guidelines for transport planning purposes.

The Strategic Objectives of this function are to:

- To promote mobility
- Promote non-motorized vehicle usage.
- Promote public transport usage.
- Improve existing public transport facilities.
- Improve SBDM road conditions.
- To promote an integration between spatial planning and transportation planning to achieve sustainable human settlements
- To provide technical support to the Local Municipalities

Key Issues for 2024/25

- Construction of prioritised projects in Makana through DoT Funding:
  - ✓ Upgrading of M Street, Albert Street and Ncame Street – Construction

Gravel access roads were also constructed at the following informal settlements in various local municipalities under ISUP

- ✓ Sundays River LM – Emanqindini, Lolo Village, Mosese Babida, Enon and Bersheba
- ✓ Makana LM – Khayelitsha, Etembeni, Mayfield, Enkanini
- ✓ Koukamma LM – Thornham

- Conducted road condition visual asessment for all 7 local municipalities within SBDM

Developed road maintenance Plans for Makana LM, Ndlambe LM, Koukamma LM, Sundays River LM, Blue Crane Route Local Municipality, Kouga Local Municipality and Dr Beyers Naude LM

- Application for borrow pit authorisation in Makana LM

Rural Road Asset Management Systems (RRAMS)

The National Department of Transport, as part of the S'Hambe Sonke Programme, has provided grant funding for the implementation of Rural Road Asset Management Systems (RRAMS) as set out in the framework for the Rural Road Asset Management Systems (RRAM), Division of Revenue Act (DoRA). The strategic goal of the RRAMS Grant is to ensure efficient and effective investment in rural roads through the development of Road Asset Management Systems (RAMS) and the collection of associated road and bridge inventory data condition assessments and traffic information. Improved data on rural roads will guide infrastructure investment, improve accessibility to and mobility of rural communities.

The District Municipalities (DM's) within the Eastern Cape that have received the grant funding, are following a collaborative approach with the Provincial Department of Roads and Public Works (Eastern Cape), to ensure a uniform and integrated end-product within the Eastern Cape. This ensures consistency of data, an integrated and complete provincial database and allows a substantial saving in both time and cost. Over the past year, this collaboration has proved to be a highly successful and productive approach.

The road network within the Sarah Baartman District falls under the jurisdiction of three (3) levels of authority who are each responsible for a specific road network, namely:

- The South African National Roads Agency Limited (SANRAL), who are responsible for National roads that traverse the district;
- The Eastern Cape Department of Roads & Public Works (EC DRPW), who are responsible for the Provincial roads, i.e. Trunk, Main, District and Minor roads within the district; and
- Seven (7) Local Municipalities, who are responsible for all Municipal roads.

The network contained in the RRAMS for the District includes the total length of 1787.3 km, 37 bridges and major culverts, 341 traffic counting stations and all the ancillary road furniture along the network.

The total road network in Sarah Baartman DM is 1 787.3km, paved road network is 1023.3 km (57,3% of the network) and unpaved network is 764km (42.7% of the network);

The Sarah Baartman District Municipality is one of the municipalities that are receiving the grant and was allocated the following budgets over the three-year life-cycle of the RRAMS Grant:

- 2022/23 – R 2 396 000.00
- 2023/24 - R 2 128 585.00
- 2024/25 - R 2 514 000.00

The allocation for 2024/25 financial year was fully spent.

The technical part of the RRAMS Programme continues to proceed well.

Number of all personnel associated with the road transport function:

1 x Project Management Unit: Manager
1 x Senior Civil Technician
2 x Civil Engineering Interns

3.9 STORMWATER DRAINAGE

Not applicable

COMPONENT C: PLANNING AND DEVELOPMENT

The District Municipality is responsible for Regional Planning and Economic Development

3.10 - PLANNING

This includes all activities relating to the formulation, monitoring implementation, evaluation and review of strategic plans for the entire district. It also includes assistance to local municipalities with processing of applications for land use planning and development.

Description of the Activity

The function of **Integrated Development Planning and Spatial Planning** is administered by the Department: Planning and Economic Development. The main Planning activities include the formulation of the institution's **strategic** plans; IDP and SDF, monitor and support those implementing the plans, and review the plans annually, in terms of Chapter 5 of the Municipal

Systems Act 32 of 2000 (including notice R796 regulations) and in terms of the Municipal Finance Management Act 56 of 2003.

<u>Key issues for 2023/2024</u>

SBDM has invested in the process of ensuring all its local municipalities become compliant to SPLUMA. This has resulted in the district investing its own funding to finance planning tools for over 5 years. The district is getting closer to having SPLUMA compliant Local Municipalities in terms of legislation. The challenge that is starting to reveal itself is the problem of personnel within our Municipalities. This is resulting in the collapse of processes and procedures that form the bases of municipal planning. SBDM needs to advocate for the establishment of planning units in municipalities and the appointment of planning professionals.

<u>SPLUMA compliance and capacity at the district</u>

							Capacity			
Municipality	Authorised Official	By Law Gazetted	MPT Option	Call for Nominations	MPT Gazetted	Appeal Authority Established	Planner	GIS	Admin	Comments
Koukamma	YES	YES	SINGLE	YES	YES	YES	0	0	0	No planning unit, Planning manager appointed to start new financial year
Kouga	YES	YES	SINGLE	YES	YES	YES	3	1	1	Good planning capacity
Blue Crane	YES	YES	DISTRICT	YES	YES	YES	0	0	0	No planning capacity
Makana	YES	YES	DISTRICT	YES	YES	YES	2	0	1	adequate planning capacity, but has lost planners this financial year
Ndlambe	YES	YES	SINGLE	YES	YES	YES	1	0	1	Adequate Planning capacity, has lost two planners
Sundays River	YES	YES	DISTRICT	YES	YES	YES	1	0	0	Limited Planning capacity, no unit established. Planner has no admin support
Beyers Naude	YES	YES	SINGLE	YES	YES	YES	1	0	1	Limited planning capacity, unit with limited support

The District has made strides in pursuing district wide compliance of the Spatial Planning and Land use Management Act of 2013 (SPLUMA), with most all our municipalities having established functional Municipal Planning Tribunal. The tribunals being the first term since the enactment of SPLUMA, there have been a number of challenges due to municipalities and tribunal members being part of this type of decision-making process for the 1st time.

MPT Name	MPT Term of Office	
	Establishment date of MPT	End date of MPT
SBDM MPT (SRVM, Makana & BCRM)	30 Nov 2020	29 Nov 2023
Kou-Kamma (SINGLE)	1 October 2015	30 September 2020 (new appointment of MPT Chairperson by Council from 1 November 2020 for 3 years).
Kouga (SINGLE)	14-03-2017	14-03-2022
Ndlambe (SINGLE)	8 October 2018	October 2023
Dr Beyers Naude (SINGLE)	2nd August 2018	1st August 2023

Challenges:

- Continuous postponement of meetings due to poor attendance by members
- Differing items due to poor quality reports from LMs causing delay in development.
- Tribunals overstepping their authority with the applicant.
- Delays in the finalising of applications
- Lack of commitment from appointed members
- Administrative expertise in managing the resolutions of tribunal, exposing municipalities to possible litigation.

Compliance of SDF and ILUS

Municipality	SDF		Zoning Scheme / ILUS		Comments SDF & Zoning Scheme
	Yes/No	Year	Yes/No	Year	
Blue Crane Route	Under review	2022-23	Under review	2021	Final draft awaiting Council adoption
Makana	yes	2019	yes	2019	Compliant
Dr Beyers Naude	Under review	2022-23	partly	2015 (Camdeboo)	Funded by DALRRD to review SDF and ILUS
Kouga	Yes	2020-21	Yes	2021	Compliant
Kou-Kamma	Under Review	2022-23	Under review	2022-23	Final draft awaiting Council adoption
Ndlambe	Yes	2023-24 (adopted May 2023)	Yes	2019	Compliant
Sunday River Valley	Yes	2023-24 (adopted June 2023)	Yes	2023-24 (adopted June 2023)	Compliant (to be gazette)

KOUKAMMA SDF AND ILUS

SBDM appointed Umhlaba consulting to assist in the drafting of KLM Spatial Development framework and Land use scheme.

The KouKamma project started slowly because of challenges with securing meetings with the Municipality. The Municipality has identified the Project Steering committee, the project is its final phase: adoption and gazetting. The Koukamma Municipality had indicated that the Spatial Development Framework and Integrated Land Use Scheme would be adopted by council at the end of May 2023, the council assured that the item would be in the June 2023 Council meeting for adoption. As it stands currently, the municipality's SDF and Zoning Scheme will not be SPLUMA compliant at the beginning of the 2023-24 financial year. This will mean that no applications can be processed by the municipality until compliance is attained.

BLUE CRANE ROUTE SDF AND ILUS

The Blue Crane Route project is being driven by Urban Dynamics. The Project is also on its final phase: adoption and Gazetting. The project has faced a number of challenges, causing delays in the completion of the project. The one challenge that stands out is the issue of capacity within the municipality to drive the planning function. The municipality needs to appoint a planning professional urgently. the Municipality has indicated that it will submit the draft documents for final approval before the July Council meeting. This will mean that the municipality's SDF and ILUS will not be compliant with SPLUMA at the start of the 2023-24 financial year. This will mean that no applications can be processed by the municipality until compliance is attained.

SUNDAYS RIVER VALLEY SDF and ILUS

SRVM had requested assistance with the funding of their SDF and ILUS, this was based on the financial challenges the municipality is facing. SBDM Council approved the funding, and an SLA was entered with SRVM. The Project with Sundays River valley has been finalised, council adopted the SDF and ILUS in the Council Meeting of June 2023.

DISTRICT TECHNICAL PLANNING SUPPORT

Tribunal Progress

The current term of tribunal members is coming to an end of 2023 calendar year, Municipalities will need to address some of the challenges that are delaying development, specifically dealing capacity limitations in the planning unit/departments.

Below is a Register of decisions taken by the tribunal during its term of operation:

Technical Planning Support

SBDM is a member of the Ndlambe Planning Tribunal and has been an active participant since it was established.

The Manager Development Planning serves as the technical Advisor to the Dr Beyers Naude Planning Appeal Authority.

BCRM is getting assistance from SBDM with establishing systems for spatial planning function. The Manager: Development Planning does weekly visits to the municipality.

Number personnel associated with the Planning function:

1 x Development Planner
1 x Manager: Development Planning
1 x GIS Specialist

3.11 - STATUS OF THE DISTRICT DEVELOPMENT MODEL

The purpose of the Sarah Baartman District DDM One Plan is:

- To give effect to the **District Development Model (DDM)** approved by Cabinet as a practical method to improve service delivery and development impact in the Sarah Baartman District Municipality space through integrated planning, budgeting, and delivery by all three spheres of government working together with stakeholders and communities.
- To localise and synergise the **National Development Plan (NDP)**, the Medium-Term Strategic Framework (MTSF), National Spatial Development Framework (NSDF), Integrated Urban Development Framework (IUDF) and key national and provincial sector policies/strategies/plans with socio-economic and spatial development logic of the Sarah Baartman District Municipality.
- To express a **coherent and predictable government approach in relation to these key priorities** through a **Long-Term Strategic Framework (One Plan)** for growth and development of the Sarah Baartman District Municipality space that is co-produced by all three spheres of government together with stakeholders and communities.
- To enable a programmatic Intergovernmental Relations approach in relation to Sarah Baartman District Municipality through implementation of the One Plan that will serve as an impact performance framework tracking the commitments and spending of national and provincial sector departments and the Sarah Baartman District Municipality according to the **shared vision** and desired future development of Sarah Baartman District Municipality and its people.
- To create an **environment** which is conducive for **investment**.
- To stabilize **governance and financial management practices** in the Sarah

  Baartman District

This One Plan presents a cohesive planning strategy with the overall Vision 2050 being:

"By 2050 the Sarah Baartman District will be a vibrant and productive district based on its participative, people-centred, developmental approach.

A district steeped in agricultural wealth and opportunity, well renowned for its diverse and rich tourism industry, and a leading light in alternative and renewable energy creation. Our district will deliver efficient public services, educational opportunities and health support grounded in our commitment to ensure a truly democratic dispensation for all our people."

The vision is supported by several sub-visions to highlight the importance of the **six key development goals** being:

- Demographic change and people development
- Economic positioning
- Spatial restructuring and environmental sustainability
- Infrastructure engineering
- Integrated service provisioning
- Governance and finance

Each of these development goals has been attributed specific strategies and received a set of indicators or targets to which the district can constantly aspire to achieve, and which will also create the opportunity to constantly measure our progress and success rate.

The SBD One Plan was noted by Council on 30 August 2021.

3.12 - LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area. Key driving principle to the definition is People at the centre, encourage cooperation amongst role players and a shared vision in the municipal area/jurisdiction.

As a programme, LED is intended to maximize the economic potential of the seven municipal localities throughout the District and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development.

The “local” in economic development points to the fact that the political jurisdiction at a local level is often the most appropriate place for economic intervention as it carries alongside it the accountability and legitimacy of a democratically elected body.

3.13 SMME Development Funding

Currently, to access funds for LED, municipalities either employ funds generated locally to implement municipal-led activities, such as through the levying of rates and taxes, or funding can be derived from higher tiers of government.

Generally, however, LED in local municipalities has no secure funding sources and often relies on grant funding. The role of local and international NGOs and donors is of great importance in accessing and making available funds for local development projects.

Municipalities are mandated through the constitution to promote the social and economic development of their communities, and their involvement in tourism must be related to this mandate.

The aim of developmental tourism is to increase local incomes and to create job opportunities through enhancing the community's ability to create enterprises.

As part of working for inclusive and sustainable economic growth, the most pressing objectives are as follows: -

- Ensure that black businesses participate meaningfully.
- Ensure that the industry is transformed, and more jobs are created.
- Accelerate participation of black business in the mainstream economy.

Based on the above, the District Municipality approved the SMME/Cooperative and Tourism SMME funding for 2024/25 financial year.

There are various levels followed in the processing of applications received. It is important as well to note that the District Municipality also complements submissions received from Local Municipalities, using the following platforms to attract applications:

- Deal with applications backlog received from the previous year and could not be supported due to budgetary constraints.
- District Municipality outreach by the Speaker and Executive Mayor
- Interval visits to Local Municipalities by the Department to directly interact with the SMME sector and understand LED environment that drives the township economy.
- Submissions received through District SMME coordinating committee that meets the District Funding threshold.

The district's focus areas for SMME development and Tourism support are related to the following opportunities:

- Working with and to improve development integration with Independent Power Producers ie Enterprise Development Support
- Increase support to Youth Business and Internet support services to remote areas.
- Township economy
- People with Disability
- Training and Development
- Tourism enterprise development and creative industries

The District Municipality budgeted in the 2024/25 Financial Year and supported SMME development initiatives and Cooperatives that are supported by Local Municipalities and included in their IDPs:

23-24	SMME	MUNICIPALITY	ADDRESS	AMOUNT	YOUTH	GENDER
	Wayvin's Tours	Kouga LM	Jeffreys Bay	R150 000	YES	Male
	The Table on the Edge Restaurant	Koukamma LM	Tsitsikamma	R150 000	NO	Mixed
	King Lobengula Foundation	Makana LM	Makhanda	R80 000	NO	Male
24/25	**2nd round of 2023/24**					
	Eyomhlaba Trading	Sundays River Valley LM	2455 dora street, nomathamsanqa, addo	R180 000	NO	Male
	Manpinga Construction and Development	Dr Beyers Naude LM	4 victoria street, willowmore, 6445	R70 000	NO	Male
	Athenkosi Business Enterprise		486 Sobukhwe Street, Umasizakhe Location, 6280	R120 000	NO	Female
	ZM ENTERPRISE	Ndlambe LM	318 Marasela Street, Bushmans River Mouth, 6190	R120 000	NO	Male
2025/26	**SMME**	**MUNICIPALITY**	**ADDRESS**	**AMOUNT**	**YOUTH**	**GENDER**
	The Marketing and Events Firm	Makana LM	Makhanda	R150 000	NO	Male
	NGN Enterprise	Ndlambe LM	Ndlambe	R80 000	NO	Female
	Masako Contour	Blue Crane Route KN	Kwa Nojoli	R50 000	YES	Female
	Infinite Beauty by Birvory	Dr Beyers Naude LM	Graaff Reinet	R70 000	YES	Female
	Wellington Fine Cottage	Makana LM	Makhanda	R50 000	NO	Male
	Pearston Hardware	Blue Crane Route LM	Pearston	R70 000	NO	Male

3.14 B District Oceans Economy Engagement

The Department of Forestry, Fisheries, and the Environment (DFFE) has seconded a human resource to Sarah Baartman District Municipality (SBDM). The DFFE and SBDM signed a 5year MoU from 2021 – 2026 and will be renewed every other 5years thereafter.

That level of support made it possible that the District Municipality has now adopted a Climate Change and Resilient Strategy at the end of the 24/25 Financial Year and updated Integrated Waste Management plan.

This Climate Risk Profile report, as well as the accompanying draft Climate Change Adaptation Plan, were developed specifically for Sarah Baartman District Municipality (DM), to support its strategic climate change response agenda. Both documents are primarily informed by the GreenBook, which is an open-access online planning support system that provides quantitative scientific evidence in support of local government's pursuit in the planning and design of climate-resilient, hazard-resistant settlements. The GreenBook is an information-dense resource and planning support system offered to South African local governments to better understand their risks and vulnerabilities in relation to population growth, climate change, exposure to hazards, and vulnerability of critical resources.

In addition to this, the GreenBook also provides appropriate adaptation measures that can be implemented in cities and towns, so that South African settlements are able to minimize the impact of climate hazards on communities and infrastructure, while also contributing to developmental goals (See Green Book I Adapting settlements for the future).

The purpose and strategic objectives of the Climate Risk Profile and the Climate Change Adaptation Plan are to:

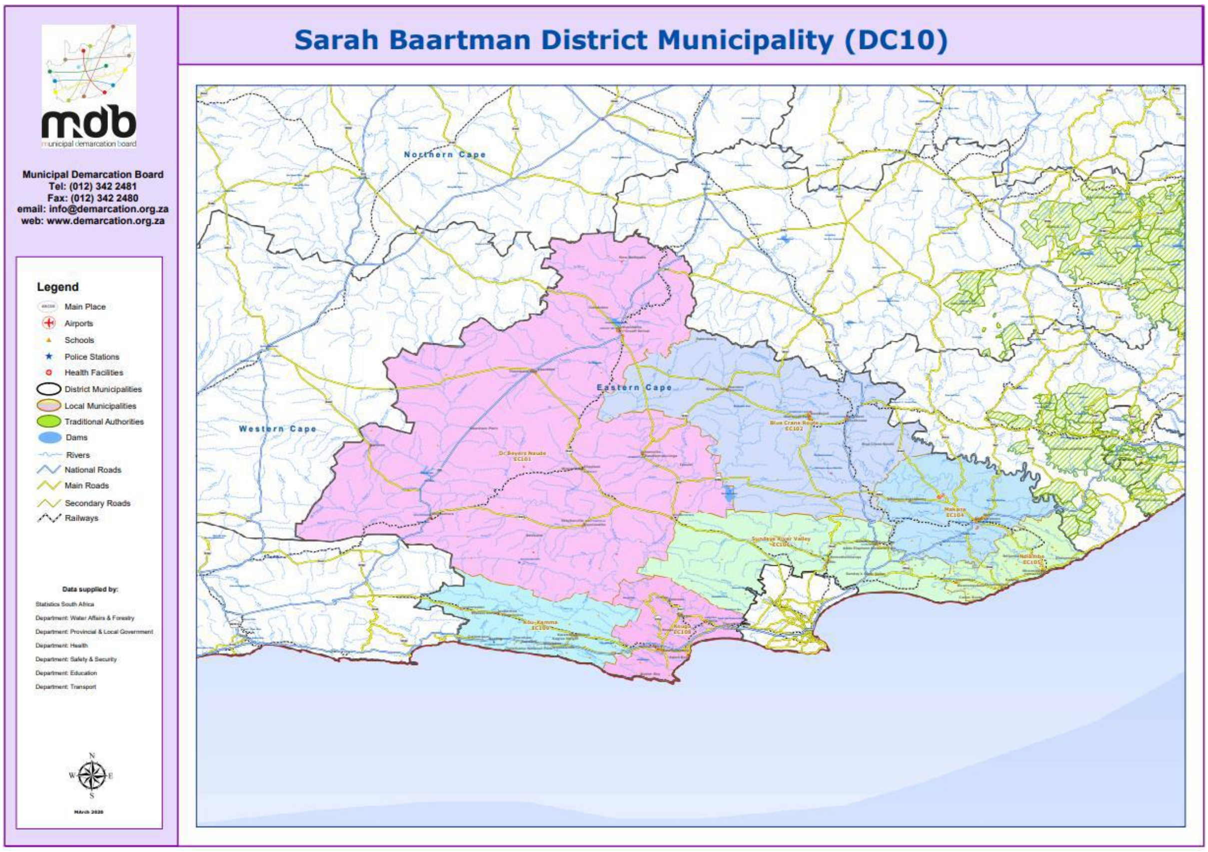
- Build and further the climate change response agenda,
- Inform strategy and planning in the district and local municipalities,
- Identify and prioritise risks and vulnerabilities,
- Identify and prioritise interventions and responses, and
- Guide and enable the mainstreaming of climate change response, particularly adaptation.

District Municipal context

The Sarah Baartman District Municipality (SBDM) is the largest (58 243 km2) of the six District Municipalities in the Eastern Cape Province. The District is situated in the western portion of the Province, bordering the Western Cape, Northern Cape and two other District Municipalities in the Eastern Cape, namely Chris Hani District Municipality and Amathole District Municipality (SBDM, 2022; CoGTA, 2020). The District has seven local municipalities, namely Blue Crane Route, Dr Beyers Naude, Sundays River Valley, Kouga, Kou-Kamma, Ndlambe, and Makana local municipalities. The District has a total population of 520 480, with 437 976 people located in settlements. The settlement-based population grew by 16.4% between 2001 and 2011 and is projected to grow by 24.6% between 2011 and 2030.

The biophysical environment of the District is dominated by semi-desert Karoo landscape in the inland areas, which are prone to drought conditions. The narrow coastal strip is low lying, and has higher, year-round rainfall, which provides opportunities for more diverse land uses and economic development.

The District also has several prominent mountains and catchment areas, including the Kouga Mountains in the south and the Sneeuberge north of Graaff-Reinet. The District has a wide variety of vegetation types due to the diversity of geomorphology, topography, soil types, climate and rainfall patterns that occur in the region. The District includes elements of six biomes, namely Fynbos, Subtropical Thicket, Forest, Succulent Karoo, Savannah and Grassland, which occur along with coastal vegetation, wetlands, pans and riverine vegetation types (DEA, 2018).



Recommendations

The greatest risks faced across the Sarah Baartman District are drought and increased temperatures, combined with population growth pressure in the coastal towns. The towns that are seeing significant population growth are already experiencing service access pressure, and larger groups of people will become vulnerable and exposed to climate-related hazards. Physical vulnerability is relatively high across the entire District, indicating that infrastructure such as roads and housing, and accessibility could be poor, making the built-environment and its population, vulnerable to extreme events.

The generally drier and hotter climate over most parts of the District will also lead to increased risk of wildfire. Increase in wildfires raise the threat of fire to all heritage resources, natural and built, as well as posing health risks to populations from exposure to smoke and ash pollution. Additionally, certain parts of the District could experience more extreme rainfall events that could lead to both inland and coastal flooding. Increase in intensity of rainfall and flooding could lead to increased surface runoff, resulting in increased soil erosion, soil loss and degradation; whereas increased wave energy and run-up (sea level rise and more storms) could cause degradation of natural coastal defence structures.

In response to these climate risks and impacts the following adaptation goals are recommended:

- ✓ To ensure water security under a changing climate, while reducing water demand, use, pollution, and waste.
- ✓ To protect natural resources and ecosystems.
- ✓ To reduce the vulnerability and exposure of human and natural systems to climate change and extreme events.

3.14 C Tourism Development and Marketing

TOURISM DEVELOPMENT AND MARKETING

Tourism Development and Marketing is a broad field that focuses on enhancing tourism experiences, attracting visitors, and ensuring sustainable economic growth through strategic planning, promotion, and stakeholder collaboration.

Tourism does not only contribute to the region's economy but also showcases the potential of the district for both domestic and international tourists.

The Sector can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips.

Key issues for 2024/2025

1. **SARAH BAARTMAN DISTRICT DESTINATION MARKETING CAMPAIGN - 2024**

BACKGROUND

The Tourism Development Strategy for SBDM aims to establish an enabling environment that encourages partnerships across all levels to develop and promote the tourism industry.

For the past 4 years, SBDM have worked alongside our tourism stakeholders and SMMEs to host successful annual Destination Marketing Campaigns and Activations. These initiatives have been incredibly fruitful, providing our products and LTOs with exceptional content. Through these events and campaigns, we have been able to highlight the unique tourism offerings of our region, drawing visitors from all over the country.

SMMEs from Koukamma, Kouga, and Sunday River have played an integral role in our activations, benefiting from the financial injections and exposure generated by the influencers, artists, tour operators, and media that have been hosted. By giving them a platform to showcase their products and services to a larger audience, we have helped these businesses to grow and thrive.

This is a collective initiative of LTOs and Small, Medium, and Micro Enterprises (SMMEs) from previously disadvantaged communities coming together to launch a campaign aimed at promoting trustworthy tourism destinations while operating in a manner that is fair, inclusive, and diverse. SBDM strive to foster collaboration among business owners, thus ensuring equal opportunities for growth and recognition of township tourism across various regions.

This campaign was centred around bolstering marketing efforts in all seven local municipalities within Sarah Baartman District Municipality. The aim was to position Sarah Baartman District Municipality as the adventure hub of South Africa, offering a variety of unique and exciting experiences to domestic travellers.

The initiative did not only promote the district's rich tourism offerings and show off its agricultural wealth but also unlocked markets that directly ensure economic growth for participating products in the region.

SBDM is working towards maximizing collaboration between various tourism products and stakeholders. We believe that by working with other stakeholders, we can promote economic growth and marketing exposure to under-marketed areas.

All stakeholders involved showcased the beauty and adventure that the Sarah Baartman District has to offer and encouraged travellers to explore all that the region has to offer.

PURPOSE

The main purpose of the program was to promote and highlight all seven regions within the seven local municipalities during September/October months, 2024.

Priority was given to disadvantaged Tourism SMMEs in each area to showcase and endorse the tourism route, attract tourists to their locality, create job opportunities within the community, and boost the local economy.

Our marketing model of hosting local influencers and artists has proven highly successful in the past. Each of the 7 wonders were showcased, highlighting their uniqueness, and contributing to the overall offering of the district as a preferred tourism destination.

ACTIVITIES UNDERTAKEN UNDER THE CAMPAIGN

- **TOURISM/LED PRACTITIONER’S FAM TRIP**

A FAM trip stands for “familiarization trip” and is one incentive for being in the travel, tourism, and marketing industry. FAM trips are exclusive educational trips for travel agents, media personalities, and resellers. It is provided to experience services and destinations first-hand and be able to better package, advertise, and sell. It also allows industrial relations to be formed among wholesalers (sellers) and suppliers. This FAM trip allowed for Tourism/ LED Practitioners in the seven different local municipalities to explore and experience what the 7 Wonders of Sarah Baartman has to offer. For this project to be a success it is imperative that Tourism /LED Officials are familiar with what there is to do in their areas.

This initiative created an opportunity for the various Local Municipalities together with SBDM to embark on a FAM Trip (familiarization trip) allowing the Tourism/LED Officials to experience the product/destination so that they can better sell it and give better input on the Destination Activation Campaign. It took place during September month, 2024. We targeted people in the space of tourism and local economic development and were joined by all LMs except DBNLM and Ndlambe.

- **TSITSIKAMMA SPORTS FESTIVAL**

This is a wonderful initiative that have seen 17 boys receive scholarships from the different schools that participated in 2023. These boys are in prestigious schools in Gauteng, Free-State and Northern Cape. The festival is an initiative of BDD Foundation bringing different schools to and from around Kou-Kamma together for rugby and netball. This initiative was a build up towards speed marketing and it took place in October 2024.

(BDD : Be Disciplined Dedicated sports foundation)

- **SARAH BAARTMAN SPEED MARKETING**

SBDM embarked on a speed marketing campaign, influencers and artists went on a **#rediscoverSarahBaartman trip** to the other Local Municipalities that were not part of the fam trip (Makana, Ndlambe, Blue Crane and Dr Naude LMs) to explore and promote hidden gems. The money spent on hosting artists and influencers was not in vain, we use the content long after and share it with tourism hubs in other regions and countries. A dedicated videographer and photographer was invited to join the artists and influencers on their adventures.

Herewith are links to see some of the content generated during our previous campaigns held in Tsitsikamma: https://bit.ly/38kBfMg (2021),https://bit.ly/3DWZ8pm (2022), and https://bit.ly/3xcTdw3 (2023). Content posted on social media all had the #7wondersofourworld #rediscoverTsitsikamma and #ecyours2explore.

Destination Marketing Campaigns assist small businesses that do not have the capital to spend on Marketing at Tradeshows or Exhibition to get their brand into spaces it may not have been able to get into. Partnering with brands such as Mandla Dambuza, Cwenga Manakaza, Junior King (The PE Boyz) Award Winning Dancer, Anslin Gysman, and Schaney van Wyngaard to name a few is amazing for our tourism brand. These young dynamic influencers have more than 5 million followers combined that is eager to see what they are up to and want to do what they do. Pumeza Cingo, Tebogo Pin-Pin Kgethe, Justinah Missjlejes, and Siphokazi are among the new brands we identified for collaboration during the past 2 expos we have attended with the LTOs in Durban and Cape town whose content resonates with what we offer as a district in terms of tourism offerings.

The Sarah Baartman District, being the Gateway to the Eastern Cape and the only region in the country that can claim the title of the Adventure Capital, provides an unparalleled opportunity to re-establish and strengthen ties between the public and private sectors in tourism development in the region and the province.

It is essential to note that none of the artists will be remunerated for their appearance or performances. Stakeholders in the tourism space as per prior arrangements were responsible for covering their accommodation, food, beverages, and activities, and contributing towards their fuel expenses. Sarah Baartman and 7wonders logo was featured prominently in the Destination Marketing videos that were produced.

Our initiative connected people with the authentic experiences available in the district, necessitating collaboration with product owners around iconic regions to enhance the tourist experience. By focusing on packaging experiences rather than just visiting sites, we add life to the diversified tourism value chain and stimulate ongoing domestic tourist demand. This initiative took place in October 2024, just after the sport festival in Tsitsikamma.

CAMPAIGN PARTNERS

- SBDM
- STREAMLINE TOURISM, MARKETING & EVENTS
- SAT (SOUTH AFRICAN TOURISM)
- ECPTA (EASTERN CAPE PARKS & TOURISM AGENCY)
- ALL 7 LOCAL TOURISM ORGANISATIONS
- ALL 7 LOCAL MUNICIPALITIES
- BDD SPORTS FOUNDATION

TOURISM PROMOTION AND MARKETING

2. **WORLD TRAVEL MARKET (WTM) & AFRICA TRAVEL INDABA (ATI)-2025**

The World Travel Market Africa is one of the largest tourism marketing events and the only Inbound & Outbound Business to Business (B2B) travel trade show on the continent. It is amongst the top three (3) must visit' of its kind on the global calendar and the only event where you can generate sales, launch new products, enter new markets, raise brand awareness, size up your competition, conduct market research, command press attention and develop and maintain relationships. It promotes the widest variety of the world's best tourism products and attracts visitors from across the world. This Expo presents a diverse range of destinations and industry sectors to South African, African and International travel professionals. Delegates include international and national tourism associations, product owners, the media and exhibitors globally. WTM Africa embarks on a journey to showcase the untapped potential, celebrate the richness of its heritage, and pave the way for sustainable growth in both inbound and outbound tourism.

This expo is held at the Cape Town International Convention Centre (CTICC) annually. It was held from 9 to 11 April 2025. Participation was from 96 countries with exhibitor growth increase of 30%. Under the theme "Ignite Africa," the event has highlighted strong tourism recovery and growth, with notable increases in both buyer and exhibitor numbers. According to reports there have been 13 new countries attending for the first time, the increase in buyer growth was 27% compared to previous years.

This platform is a great opportunity for SBDM as it puts our tourism brand in front of new and old buyers, influencers and several potential customers. District participants attended speed marketing sessions daily to promote their respective areas and/or different workshops / panel sessions whilst others were disseminating information to walkabouts. This event has the power to broaden minds, reshape perspectives, and open doors to new opportunities.

The information sessions attended: -

•Leveraging major events for tourism growth

•Responsible tourism

•Tapping into Africa's weird and wonderful tourism

•How E-sim is revolutionizing travel

•Hard truths and bold solutions about tourism as a key job creator and economic driver for SA

•Twin challenge of climate change for tourism – mitigation and adaptation

•The untapped potential for LGBTQ+ African travel: Marketing through a global lense

•Sustainable success

•Roadblocks for tourism growth

The four main reasons to exhibit in tourism trade shows are as follows:

- Increasing tourists into the region/sales (in the case of product owners) and reinforcing market share
- Increasing share of market and getting tourists to buy more
- Introducing new products, including, but not limited to tourism regions/nodes and routes
- Positioning or repositioning an organization, its brand and products and services

DISTRICT PARTICIPATION

SBDM created a platform for all LTO's in the region to market their respective areas in conjunction with their local municipalities.

The 7Wonders stand was blessed with the presence of 4 local municipalities:

- Ndlambe,
- Sundays River Valley,
- Makana and
- Blue Crane Route LM.

Kouga attended the expo on its own under their Greater Garden Route brand.

The Sarah Baartman District was represented by the following:

- PED Portfolio Councillor
- Planning and Economic Development
- Project Manager: Tourism and Marketing
- Tourism Intern

Attending this expo as a collective has a meaningful impact on marketing the region and keeping up with industry trends.

3. AFRICA TRAVEL INDABA (ATI)- 2025

Africa Trave Indaba (ATI) exists to provide the ideal platform for African tourism exhibitors to showcase their offerings to international and local buyers, destination marketing companies and leisure tourism service partners. It is the most formidable platform on the continent for people to meet face-to-face with the most influential buyers in the world, and to gain access to Africa's excellence and its endless possibilities. The trade show takes place in Durban at Inkosi Albert Luthuli International Convention Centre which is the world-class Host Venue for any show of this level.

The expo took place on 13- 15 May 2025. It was preceded by a dedicated Business Opportunity Networking Day (BONDay) which seeks to create a platform for thought-leadership, knowledge sharing and obtaining the latest in global trends and local insights. The BONDay programme is developed in close collaboration with the global tourism organisations, continental experts as well as industry associations. BONDay sets the scene for Africa Travel Indaba. BONDay took place on the 12th of May 2025, this session sets a visionary tone for the continent's premier leisure show. It convened a full house of media, industry stakeholders, and thought leaders under the theme "Unlimited Africa", celebrating the Africa's boundless tourism potential and fostering a greater collaboration across borders.

It showcases the widest variety of Africa's best tourism products and attracts international visitors and media from across the world. Delegates include international and national tourism associations, product owners, media and exhibitors from throughout the globe. This trade show is owned by South African Tourism, with the specific objective of creating market access for our vast array of African leisure tourism products.

ATI brings together a showcase of Southern African tourism products and services for the international travel trade. Exhibitors in the Durban Exhibition Centre (DEC) include provincial authorities and provincial products.The importance of networking, partnerships, collaboration and building bridges across borders is always emphasized.

Key themes that took the center stage during BONday :

•Owning the narrative and authenticity

•Innovation, technology and adaptation

•Collaboration, value and sustainability

•Laying the ground for growth

It has been reported that Africa's Travel Indaba 2025 hosted more than 9,967 attendees, marking a 7.4% increase compared to the 9,280 attendees in 2024. The event also saw 1,348 exhibitors and 1,037 buyers, with both exhibitor and international buyer numbers being the highest in the past four years. A total of 27 African countries participated. There were over 1100 exhibitors and 26 African countries represented and over 1000 buyers from 55 countries.

The first day of the exhibition was opened by the tourism minister: Ms. Patricia Delille. In her opening she took us through tourism latest arrivals, that SA welcomed close to 2.6 million tourists, reflecting 5.7% growth when compared to the same period in 2024. This steady growth in international arrivals reaffirms South Africa's strong positioning on the global tourism map and proves the sector's important role in our economy. Tourism continues to be a key driver of GDP and job creation, and our efforts remain focused on maximizing these benefits while promoting long-term sustainability. Stakeholders in all provinces were encouraged to continue promoting the hidden treasures of Southern Africa.

INSIGHTFUL PANELS THAT TOOK PLACE DURING THE EXPO

1. African Minister's Round table

The ministers called on every African government, business leader, and citizen to join movement:

- Invest in infrastructure and skills that empower young Africans

- Champion cross border collaboration from joint marketing to seamless travel experiences.
- Celebrate and showcase Africa's unique culture and the continent's greatest asset.
- Embrace technology to make travel easier, safer and more inclusive.

2. Sports, Arts 7 culture Tourism Panel discussion
3. Sport & wellness Panel
4. Film & Tourism Panel discussion
5. Gastronomy panel discussion
6. Township & Cultural tourism panel discussion
7. Youth Tourism and backpacking
8. Astro – Tourism panel

The success of INDABA 2025 is not solely measured by the number of exhibitors, buyers, and media representatives in attendance, but more importantly, by the quality of business meetings and strategic linkages established during the event. The underlying assumption is that INDABA will have a positive and tangible impact on Sarah Baartman tourism —resulting in meaningful business deals that directly contribute to the bottom line. Over time, these engagements are expected to generate long-term benefits, including job creation, increased investment, and an economic boost for the country. Ultimately, this continued growth will filter down to local municipalities, positioning them as attractive and competitive tourist destinations. The primary objective was to market the district to its fullest potential and to build strong relationships with buyers from various countries.

Both platforms were a great success, offering eye-opening and informative sessions that sparked enthusiasm within the district and among Local Tourism Organisations (LTOs) for the upcoming expos in 2026. This effort aims to ensure the continued growth and sustainability of the tourism industry in the region.

4. AIRPORT ADVERTS

The Sarah Baartman District Municipality (SBDM) is also increasing awareness of the area through digital initiatives of which seven tourism destinations within the district were vigorously marketed through airport campaign, promoting the region under 7 Wonders brand as a destination of choice. This campaign has been running for 6 months (mid Dec 2024 till June 2025) and was targeting both domestic and international source markets. 7 Wonders adverts were flighted in all airports and on 281 golf TV screens across 68 golf clubs in SA.

Audience Effectiveness:

- The environment enables targeting of particularly affluent consumers, identified as significant and influential decision-makers.
- Located within a captive environment, these travellers are in a receptive state of mind and have purchasing power.
- They are therefore a premium audience.

Engagement:

• The media intervention along the passenger journey provides an unavoidable distraction via multiple touchpoints.

• Media serves not only to entertain, raise awareness and drive engagement, but also directly influence at the point of purchase, when time to indulge is freely available.

Value Extraction:

• Advertising in the airport is cost-effective with low wastage values.

• Coupled to consistently high levels of audience reach, it provides an effective messaging platform within a captive and highly targeted environment. The aim is to pave way for visitors to explore all the wonders and delights of the district.

These platforms present uninterrupted opportunities to share brand messaging. Since airport TVs and digital screens are place based networks situated within South African airports, these digital out of home media platforms provide a unique blend of high-quality traveller centric content and advertising. Our aim is to capture the attention of high-income audiences in SA's top airports.

5. SUPPORT TO FESTIVALS/EVENTS

Events tourism is one of the activities that can grow the industry and put Sarah Baartman District on the map as a preferred destination. Events have a role to play in enhancing destination attractiveness and competitiveness because they add to the mix of attractions. Creating connected experiences at events makes sense beyond the event, it makes sense economically as it contributes to the local economies of respective local municipalities.

SBDM committed to rendering financial and non-financial support to local tourism initiatives within the district and is taking an innovative approach to marketing in order to compete with other regions in the tourism space. In 2024 Sarah Baartman District Municipality supported about 12 events.

The primary aim of supporting and hosting events is:

•to grow the tourism industry

•to attract more tourists to the area

•to enhance destination attractiveness and competitiveness

•to foster a positive destination image

•to contribute to general place marketing

The benefits of supporting festivals / events

These festivals and events resulted into the following socio-economic benefits that stimulate economic growth in the wider Sarah Baartman District:

• Sarah Baartman being established and promoted as a strong driver of economic growth through creative industries.

• High profile promotion and marketing of the Sarah Baartman 7 wonders brand as a competitive tourism destination with diverse offerings.

• Positioning Sarah Baartman as South Africa's 'Cradle of Creativity' through adventure sports

- Positioning Sarah Baartman as a reputable tourism destination to both international and domestic markets to increase Sarah Baartman 7 wonders market share.
- Extensive media exposure reaches a lucrative audience to promote Sarah Baartman as an attractive tourist destination.
- Attraction of a significant number of visitors for the duration of the festival or event.
- Procurement of products and services from local businesses and creation of new jobs for locals for duration of the event/festival.
- Hosting of key stakeholders to improve and maintain business relations by offering a memorable hospitality experience and promote economic investment due to calibre of attendees depending per event
- Prominent branding and marketing

6. CAPACITY BUILDING & TRAININGS PROVIDED IN 2024

1. Collaborative Empowerment programme in partnership with Lutifusion PTY ltd and BCRLM, attended by 142 creatives with TV (Gqeberha the Empire) and radio personalities (from Umhlobo wenene and True FM
2. Collaborative Empowerment programme in partnership with Lutifusion and DRBLM, attended by 146 creatives with TV (Gqeberha the Empire) and radio personalities (from Umhlobo wenene and True FM
3. First Aid Level1 in Koukamma for 20 people (12 females ,8 males and 7 is youth) – partnered with ECPTA
4. Hospitality and digital marketing for 35 Homestay operators in Makhanda – partnered with the LTO
5. Tour guide level1 training for 10 youth in Hankey – partnered with ECPTA

7. TOURISM DESTINATION AWARENESS MARCH 2025

This project is the creation of awareness about SBDM as a destination of choice. Our objective is to enhance brand awareness, illuminate demand, revitalize supply, and encourage people to explore & experience “The 7 Wonders of Sarah Baartman”. It involves SBD staff members to become tourists in their own district to create content about experiences in the region. These experiences are shared through (WOM) Word of Mouth Marketing and use of social media platforms so as to attract more visitors to the area. Each year this project takes place in different local municipalities where members visit attractions and experience activities that each wonder offers. We have done 3 ocal municipalities. Each year we explore one municipality or if the area has coastal and inland areas, we ensure that we experience both what that area/ wonder has to offer.

This year, we took our employees (as guinea pigs) to SRV and provided them with an unforgettable experience, including adrenaline-filled activities and valuable insights into the area. Above all, the employees had a wonderful time, with many expressing amazements at the tourism offerings of SRV. Some were surprised to discover that activities they usually seek outside the district are readily available within their own area. The experience not only created lasting memories but also allowed for special moments to be captured in photos, reinforcing the value of exploring and appreciating local attractions.

8. SUPPORT TO SMMEs

BACKGROUND

Municipalities are mandated through the constitution to promote the social and economic development of their communities, and their involvement in tourism must be related to this mandate. The aim of developmental tourism is to increase local incomes and to create job opportunities through enhancing the community's ability to create enterprises.

As part of working for inclusive and sustainable economic growth, the most pressing objectives are as follows: -

- Ensure that black businesses participate meaningfully.
- Ensure that the industry is transformed, and more jobs are created.
- Accelerate participation of black business in the mainstream economy.

Based on the above, the District Municipality approved the SMME/Cooperative and Tourism SMME funding for 2024/25 financial year.

ENTERPRISES SUPPORTED

5 SMMEs in the tourism space were recommended to ensure equitable funding support to all local municipalities in different sectors of the tourism industry. This round was for applications that were received already in the financial year 2023/24 but could not be supported due to budget limitations.

Name of the Applicant/Company	Local Municipality	Category	Recommended Amount
Bayethe Academy	Addo	Sport activities	R100 000
Kwakhanyakude PTY LTD	Ndlambe	Tour operator	R 180 000
Luvuyo Mayinje	Kouga	Entertainment	R 50 000
Empolweni Kitchen	Dr Beyers Naude	Kasi Cuisin	R80 000
Siyolise Travel	Ndlambe	Travel services	R150 000

TOTAL	R 560 000

9. LOCAL TOURISM ORGANISATION SUPPORT

BACKGROUND

Sections 152 and 153 of the constitution have relevance to the involvement of municipalities in tourism and their relationship with tourism organisations:

- Municipalities are mandated through the constitution to promote the social and economic development of their communities, and their involvement in tourism must be related to this mandate.

The aim of developmental tourism is to increase local incomes and to create job opportunities through enhancing the community's ability to create enterprises. In particular, the constitution refers to developmental tourism being the process through which:

- "Partners from the public, business, labour and civic sectors work together to identify, utilise and harness location-specific resource to grow and transform the economy in specific local areas through implementing programmes and projects that build on and showcase opportunities and /or address economic empowerment constraints" (Constitution of SA, Act 108:1996).

Section 84 of the Local Government: Municipal Structures Act, Act 19 of 1998, provides for the division of functions and powers between district and local municipalities. Subsection (1) of section 84 allocates a list of specific functions and powers to district municipalities whilst subsection (2) allocates to local municipalities all other functions and powers not mentioned in the list. In terms of tourism, the Act No. 19 of 1998 defines:

- "Local tourism" as a local area function and 'Promotion of local tourism for the area of the district municipality' as a district function. Each municipality may thus regulate structure and control the tourism industry in its area.

Chapter 5 of the Structures Act also establishes reciprocal support duties between district and local municipalities. The role of district municipalities is emphasised in section 88(3), which says that the district municipalities should be providing support / capacity to local municipalities if they are unable to deliver the function.

The White Paper on the Development and Promotion of Tourism in South Africa, 1996 promotes the development and management of the tourism industry in South Africa in a responsible and competitive manner. Key guiding principles for tourism development, as set out in the White Paper are as follows:

- Development through tourism should be ***private sector driven***
- Government should provide an ***enabling environment*** for the development of tourism
- Effective ***community involvement*** should form the basis of tourism growth

- Tourism should be underpinned by ***sustainable environmental practices***
- Tourism development is dependent on ***co-operation*** and ***close partnerships*** among key stakeholders
- Tourism should be used as a ***developmental tool*** for the empowerment of previously neglected communities
- A ***safe and stable tourism environment*** should be created

Based on the above legislative framework, Sarah Baartman District Municipality, in its Integrated Development Plan, committed to rendering financial support to local tourism organisations located in the district. The primary aim of this support is to assist formally constituted local tourism organisations in an effort to market the district as a preferred destination, ensure brand alignment and encourage cooperative marketing and communication.

The total amount requested by all Local Tourism Organisations was **R 3 368 387.90**

SBDM approved funding support for LTOs based on the available budget **R 1. 4m**

All VIC's in the District daily operate within the VIC's operational policies and/or procedures as stipulated in the National Tourism Visitor Framework Guidelines. They all comply with a range of Local, District and Provincial government legislations and regulations as well as other standards, rules and regulations laid down by sector bodies and legislation. Recommendations in this specific report are premised from this in light of national requirements in relation to the tourism industry.

3.14 D Trade and Investment Promotion

Trade & Investment Unit — Annual Report Summary (2024–25)

SBDM's Trade & Investment (T&I) Unit Prioritize the objectives of open markets for local businesses, mobilize investment into priority sectors, and build a pipeline of skills and partnerships that translate into jobs and inclusive growth. In 2024–25 we focused on four directions of work: (1) enabling export market access for SMMEs and established companies; (2) investment promotion, facilitation and aftercare across manufacturing, agro-processing, renewable energy and digital infrastructure; (3) skills and institutional partnerships that strengthen our region's human capital; and (4) flagship platforms that convert interest into deal flow efficiently.

The Achievement Summary

1) <u>Converting exposure into orders and partnerships.</u>
   At the 2024 international import expo, SBDM supported the showcasing of 65 products from 10 local entities across Kouga, Koukamma, Blue Crane Route and Sundays River Valley. Over the mission period, the team facilitated 12 official meetings, hosted both trade/investment and tourism promotion sessions, and helped secure the export of 9 products through formal channels, alongside pilot

sales for 10+ products. At least 5 business agreements or intentions were recorded, and 2 municipal cooperation MOUs were concluded. These outcomes demonstrate a clear conversion from promotion to orders, and provide proof-of-concept for targeted market access support.

2) Advancing strategic relationships that unlock opportunities.
During the Premier's mission (Aug–Sep 2024), SBDM took part in two B2B sessions and 19 formal and informal engagements across multiple cities. A five-year cooperation agreement was concluded with Hangzhou Normal University (HNU) and Yuhang District, creating a framework for student exchanges, research collaboration and investment dialogue. Additional engagements advanced agri-tech cooperation, renewable-energy discussions and manufacturing leads—broadening our pipeline beyond single-event touchpoints.

3) Building a talent pipeline linked to economic priorities.
The Pilot Programme for Learners placed two SBDM students at HNU in August 2024, supported by SBDM and witnessed by provincial leadership. Both learners settled academically, with early performance reports indicating strong progress. This programme connects local youth to priority sectors (advanced manufacturing, agri-processing, digital) and strengthens institutional links with universities supporting long-term productivity and investment attractiveness.

4) De-risking market entry for local businesses via an Experiential Hub.
Following Mayco/Council endorsements in 2024, an independent feasibility by Urban-Econ (Feb 2025) compared operating models. The Integrated Hub model—embedding South African offerings within a partner venue—showed materially lower setup costs and the future self-sustainability potential. The Hub is aligned for a pilot launch in November 2025, synchronized with major trade promotion to maximize value for money.

5) Strengthening the investment pipeline and aftercare.
SBDM progressed four active investment leads across priority sectors:

- Floor Manufacturing (East London) — Aftercare and facilitation post Premier's mission leads, R30 million new production line, finalization targeted by end 2025.
- Computing Centre — Local business support further development, R250 million+ digital infrastructure concept in initiation, with technical engagement under way; potential associated renewable energy (100–200 MW) under exploration.
- Furniture Manufacturing — Engaged during Expo, follow up site visit in SBDM with positive feedback, market testing in South Africa now in preparation; manufacturing in SBDM under consideration.
- Electrical Vehicle Manufacturing — Engaged during Expo, associated potential R250 million+ assembly investment at early engagement stage; pilot imports exploration planned for early 2026.

Together, these leads illustrate a balanced pipeline across manufacturing, digital, and clean-energy-linked infrastructure, with SBDM playing an enabling role from first contact through to site facilitation and institutional coordination.

6) Recognizing and leveraging partnerships.
   SBDM received a national Outstanding Partner Award (Nov 2024), acknowledging long-standing cooperation that has delivered tangible benefits—school and business linkages, exchange programmes, and trade facilitation. This recognition strengthens SBDM's convening power and credibility with public and private partners.

7) Local business enablement and aftercare.
   Beyond events, the T&I unit provided product-readiness support (packaging, compliance checks, market feedback) and coordinated follow-ups with local municipalities. This continuous aftercare increases the likelihood that first orders become repeatable trade, and that investor interest matures into bankable projects.

Public value delivered

- **Jobs and inclusivity** (medium-term): A growing pipeline in manufacturing, agro-processing and digital infrastructure supports direct and indirect employment, with SMME participation built into our platforms.
- **Skills and resilience**: The learner pipeline and university links raise human-capital quality aligned to sector priorities.
- **Value for money**: Independent feasibility for the Experiential Hub favors a lower-cost, earlier-viability model; synchronizing launches with existing missions further reduces cost per outcome.
- **Institutional credibility**: External recognition and successful multi-stakeholder coordination enhance SBDM's ability to convene funders, buyers and investors.

Way forward

In 2025–26 the unit will continuing aftercare on confirmed leads, pursuit the pilot launch of the Experiential Hub, maintain focused market-access campaigns tied to sector priorities, and expand the skills pipeline with local and international academic partners—keeping outcomes (orders, investments, jobs) at the center of our work.

3.14 E SARAH BAARTMAN CLIMATE CHANGE AND RESILIENT STRATEGY

Sarah Baartman District and its residents have been struggling with the effect of climate change resulting in the municipality facing an ever-increasing number of natural disasters that have caused the loss of life and damage of infrastructure and people's homes. Council has approved the following documents in the financial year under review:

- GreenBook Risk Profile Report
- Climate Change Adaptation Plan and
- Adaptation Prioritization/Planning tool

Sarah Baartman District Municipality was offered support by CSIR and Santam to mainstream Climate Change into the Municipal Processes. The support would start with the preparation of these three (3) documents, towards mainstreaming climate change in our processes.
The three documents include: *GreenBook Risk Profile Report*, *Climate Change Adaptation Plan* and *Adaptation Prioritization/Planning tool* prepared for the Sarah Baartman District Municipality.

A data package, with all the relevant GreenBook maps and geo-database files, as well as a Metad ata catalogue, has also been prepared for the district (the District GIS unit has access to those interested)

The three documents form part of a support package designed and developed to support the district's climate change response and adaptation planning and implementation efforts. It should be noted that the Risk Profile report is not meant to replace the District's Climate Risk Vulnerability Assessment, nor is the draft Climate Change Adaptation Plan a full-fledged adaptation plan for direct implementation by the district (nor is it related to budgets).
The purpose of both the report and the draft plan is rather to build on what the district has in place, and to address some gaps by drawing from the GreenBook.
This Climate Risk Profile report, as well as the accompanying draft Climate Change Adaptation Plan, were developed specifically for Sarah Baartman District Municipality (DM), to support its strategic climate change response agenda. Both documents are primarily informed by the GreenBook, which is an open-access online planning support system that provides quantitative scientific evidence in support of local government's pursuit in the planning and design of climate-resilient, hazard-resistant settlements.

The GreenBook is an information-dense resource and planning support system offered to South African local governments to better understand their risks and vulnerabilities in relation to population growth, climate change, exposure to hazards, and vulnerability of critical resources. In addition to this, the GreenBook also provides appropriate adaptation measures that can be implemented in cities and towns, so that South African settlements are able to minimise the impact of climate hazards on communities and infrastructure, while also contributing to developmental goals

MAINSTREAMING CLIMATE CHANGE IN SBDM

For the SBDM climate change resilience and mainstreaming would mean integrating the relevant climate change response principles into all aspects of municipal planning, development, and operations.

In the context of SBDM, there are several practices that could be considered as part of a shift towards climate resilient district:

- **Climate-Resilient Infrastructure and Settlements:** The municipality could adopt design standards and practices that consider future climate change impacts, ensuring that infrastructure is resilient to these changes.
- **Green Spaces and Biodiversity Conservation:** The preservation of green spaces and biodiversity is a crucial aspect of a resilient economy. The municipality's rich landscape and seascape, Critical Biodiversity Areas, and various conservation areas, offer substantial opportunities for both biodiversity conservation and ecotourism.
- W**ater Conservation and Efficiency:** As mentioned earlier, the municipality has been implementing strategies such as public awareness campaigns, leak detection and repairs, and water metering and billing, all of which contribute to water conservation and efficiency.

These best practices are not exhaustive and could be complemented by other strategies tailored to the specific context and needs of the SBDM. The key success is integrating these principles into all aspects of municipal decision-making and operations and engaging the community in these efforts.

The proposed climate change response vision for the SBDM reads as follows:

"To become a sustainable, resilient, and low-carbon municipality that prioritizes the protection of its natural resources, promotes climate change mitigation and adaptation, and collaborates with communities and stakeholders to ensure a prosperous and equitable future for all."

This vision is focused on creating a municipality that is sustainable and can adapt to the challenges posed by climate change. The aim is to ensure that the communities are safe, prosperous, and able to protect and preserve natural resources for future generations.

The response to climate change will be driven by innovative and cost-effective solutions that promote sustainable development and economic growth. The key to achieving this vision is through collaboration with stakeholders to ensure that climate change considerations are integrated into the planning and decision-making processes. It is important that all actions are informed by the latest scientific knowledge and best practices to build a resilient and sustainable future for the municipality.

3.15 LIBRARIES, COMMUNITY FACILITIES

COMMUNITY FACILITIES

The provision of community facilities such as sports grounds, community halls, multi-purpose centers, and swimming pools are the responsibility of local municipalities.

LIBRARIES

The responsibility for delivery of library services in the district resides with the Provincial Department of Sports, Recreation, Arts and Culture (DSRAC) who have appointed the local municipalities to be their agents. The Sarah Baartman District Municipality is therefore not responsible for the service. The local municipalities receive a grant from the Provincial Department of Recreation, Arts and Culture for this purpose. The adequacy of the grant is always the subject of much debate. Most of the local municipalities make a further contribution from its own funds to ensure an acceptable service.

The Provincial Department was requested on numerous occasions to improve connectivity and to enhance the line platforms at the libraries.

3.16 CEMETERIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES AND CREMATORIUMS

The SBDM was not involved in any projects related to cemeteries and crematoriums during the year under review.

3.17 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

The SBDM has a Special Programmes Unit which takes care of these functions. The key issues undertaken during the year under review are:

<u>Special Programmes</u>

- Hosting of various programmes in partnership with the Provincial Women Caucus
- Conducting empowerment session for women in business
- Forming partnerships with sector departments in implementing district wide projects related to empowerment of designated groups
- Hosting of Commemoration days

HIV and Aids

The Sarah Baartman District AIDS Council is a multi- sectoral body mandated to coordinate the HIV, TB, STI and HIV response in the District. Its function is guided by the National Strategic Plan for HIV, TB, STI's and AIDS 2023- 2028. The National Strategic Plan (NSP) 2023-2028 sets out four (4) Key Strategic Objectives and interventions to support the achievements of the NSP.

1. Breakdown barriers to achieving outcomes for HIV, TB and STI's.
2. Maximize equitable and equitable and equal access to services and solutions for HIV, TB and STI's.
3. Build resilient systems for HIV, TB and STI's that are integrated into systems for health, social protection and pandemic response.
4. Fully resource and sustain an efficient NSP led by revitalized, and accountable institutions.

Achievements

- Conducting of HCT Campaign across the district Hosting of Sexual Reproductive Health and Right Awareness program with learners Commemoration of World TB Day
- Hosting of Gender Based Violence & Femicide Campaigns
- Hosting of Anti- Alcohol Abuse Campaigns
- Commemoration of the 16 Days of Activism and District World Aids Day
- Candlelight Memorial Service and the
- Interfaith Prayer Service

Achievements

July 2024
- 24 July: SBDM -GBVF Rapid Response Team established
- 25 July: GBVF session held in Zuney farm

August 2024

- 01-04 August: Provincial Women's Caucus GBV Awareness program in Kirkwood
- 06 Aug: Women's Rights Awareness program held in Louterwater
- 07 Aug: Sexual Rights & Responsibilities session: Krakeeel & Misgund Primary School
- 09 August: Provincial Women's Month celebrations held in Misgund
- 23-25 August 2024: SALGA Provincial Women's Commission program held in Port Alfred, Ndlambe Municipality.

- 30 August 2023: Alexandria Victim Support Centre GBVF program

September 2024

- 22 September: Commission for Gender Equality (CGE): Advocacy session focus on LGBTQIA+, GBVF and Human Rights in Port Alfred
- 23 September: CGE: Advocacy session-LGBTQIA+, GBVF and Human Rights held in Makhanda
- 28 September: Older Persons session held in Makhanda

October 2024

- 12 October: CGE Advocacy – GBVF, LGBTQIA+ and Human Right session held in Kliplaat
- 13 October: Outreach program- Service on Wheels held in Kliplaat

November 2024

- 14 Nov 2024: CGE Advocacy session focus on GBVF, LGBTQIA+ and Human Rights held in Addo
- 15 Nov 2024: CGE Advocacy session _ GBVF, LGBTQIA and Human Rights held Somerset East
- 13 Nov 2024: Integrated Community Outreach Program held in Aberdeen
- 28 Nov 2024: Integrated Outreach Program held in Cookhouse

December 2024

- 10 Dec 2024: Launch of 16 Days of Activism in Paterson
- 11 Dec 2024: Anti Substance & GBVF in Langbos farm
- 12 Dec 2024: District World AIDS Day held in Addo Nomathamsanqa Hall

January 2025

- 28 January: Sexual Reproductive Health and Rights -school program in Mtyobo School in Port Alfred
- 29 January: Sexual Reproductive Health and Rights program in Sevenfountains farm school

February 2025

- 19 Feb: Sexual Reproductive Health and Rights held in Dunbrody farm school
- 21 Feb: Sexual Reproductive Health and Rights held in Zuney farm school

March 2025

- 26 March: TB Awareness school program held in Luxolo & Abedeen Primary School
- 27 March: TB Awareness school program held in Camdeboo & Aberdeen High Schools
- 27 March: Treatment Literacy session held in Aberdeen Clinic

April 2025

- 07 April: Kick TB Awareness session in Aberdeen
- 07 April: Door to door campaign and household testing in Aberdeen Townships
- 08 April: District World TB Day commemoration held in Aberdeen

May 2025

- 17- 18 May 2024: Empowerment session on TB, STI's and HIV held in Hankey in partnership with DOH and RUCC
- 24 May: Candlelight Memorial service in Kliplaat
- 28 May: Anti Alcohol and Drug abuse campaign held in Patensie

June 2025

- 06 June: Integrated Community Outreach Program held in Addo SRVM
- 18 June: Anti Alcohol and Drug Abuse Awareness: Graaff Reinet Primary School Hall
- 19 June: Anti Alcohol and Drug Abuse Campaign: Aberdeen Library Hall
- 20 June: Anti Alcohol and Drug Abuse Campaign: Nieuw Bethesda Pienaar Hall
- 25 June: Orange Day & Visiting Non-Profit Organizations; Umasizakhe Community Hall
- 26 June: Commemoration of International Day Against Drug Abuse & Illicit Trafficking: Alex Laing Hall in Kroonvale, Dr Beyers Naude Local Municipality.

Number of personnel associated with the Community and Social Services Function:

1 Special Programmes Officer

1 HIV and Aids Coordinator

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes pollution control; biodiversity and landscape; and coastal protection.

The Sarah Baartman District Municipality and Local Municipalities (as agents of the SBDM) performed the pollution control responsibilities. This included air quality, monitoring of refuse sites, etc. Currently only some of the LMs have expertise in dealing with the various aspects of environmental management, including biodiversity and coastal management.

The SBDM has finally signed the Memorandum of Understanding with Department of Fishery Forestry and Environmental for the secondment of an official to the district to assist in local support on issues of Environmental Management and Compliance.

3.15 POLLUTION CONTROL

INTRODUCTION TO ENVIRONMENTAL MANAGEMENT PLAN

Sarah Baartman District Municipality is planning on development of a District Wide Environmental Management Plan which includes a waste management strategy and other environmental management strategies. SBDM does not have the capacity to deal with this issue; however, a consultant can be appointed advisory.

Service Statistics for Environmental Pollution Control & Waste strategies

Not applicable

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The function of biodiversity and landscape is administered jointly by the Economic Development and Planning Department and includes activities related to the protection of flora and fauna species, the protection of habitats and the protection of landscapes for their aesthetic values. At present the main activities are:

- ensuring participation by local municipalities in biodiversity capacity building programed; and
- participating in meetings of planning forums such as the Greater Addo (SANParks) Planning forum, the Baviaanskloof Mega-Reserve Steering Committee, the Eastern Cape Biodiversity Implementing Committee, as well as the Coastal Management Steering Committee.

The strategic objective of the function is to safeguard the District's biodiversity in terms of indigenous plants and animals and the processes that sustain the

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

Not applicable

COMPONENT F: HEALTH

This component includes clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

The District Municipality does not render Primary Health Care Services, or ambulance services. This is the competency of the Eastern Cape Provincial Department of Health.

The District Municipality renders Municipal (Environmental) Health Services which includes health inspections and Surveillance of premises.

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

Not applicable

COMPONENT F: HEALTH

This component includes clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

The District Municipality does not render Primary Health Care Services, or ambulance services. This is the competency of the Eastern Cape Provincial Department of Health.

The District Municipality renders Municipal (Environmental) Health Services which include health inspections and Surveillance of premises.

3.17 CLINICS

Not applicable

3.18 AMBULANCE SERVICES

Not applicable

3.19 HEALTH INSPECTION; FOOD AND ABATTOIR LICENSING AND INSPECTION; ETC (ENVIRONMENTAL HEALTH SERVICES)

INTRODUCTION TO ENVIRONMENTAL HEALTH SERVICES

In terms of section 84 (1)(i) of the Municipal Structures Act, 1998 (Act 117 of 1998), Municipal Health Services (MHS) are the responsibility of District Municipalities in addition, section 32 (1) of the National Health Act, 2004 (Act 61 of 2003) requires that every metropolitan municipality and district municipality) to ensure the provision or rendering of municipal health services.

SBDM continues to render Environmental Health Service Function for the following five (5) Local Municipalities as it is a legislative requirement of the District Municipality to render the function:

- Dr Beyers Naude
- Blue Crane Route and
- Sundays River Valley.
- Koukamma.
- Makana.

Environmental Health refers to those aspects of human health, including quality of life, that are determined by physical, chemical, biological, social, and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling, and preventing those factors in the environment that can potentially adversely affect the health of present and future generations. "

Within the context of this report Environmental Health Services (EHS) shall be referred to the Municipal Health Services (MHS) as listed under section 1 of the National Health Act, 2003 (Act 61 of 2003) and the Constitution of South Africa, Act 108 of 1996 namely:

- Water quality monitoring.
- Food control;
- Waste management;
- Health surveillance of premises;
- Surveillance and prevention of communicable diseases, excluding immunisations;
- Vector control;
- Environmental pollution control;
- Disposal of the dead; and
- Chemical safety

The function of Municipal Health Services (MHS) in the District Municipality is administered as follows:

- Sarah Baartman District Municipality is currently rendering the EHS function directly to the 5 Local Municipalities.

- The District Municipality has entered into Service Level Agreements with the two (2) of its Local Municipalities namely, Kouga and Ndlambe, to render Municipal Health Services on its behalf in their respective areas of jurisdiction during this financial year.

The function as rendered by the SBDM excludes Port Health, Malaria Control and Hazardous Substances which is the function and the competency of the Eastern Cape Department of Health and National Department of Health.

The strategic objectives of this function are to improve the health status of communities serviced through the identification, evaluation and control of critical factors that affect the physical, social, and mental well-being of communities. MHS/EHS are mainly preventative health services and are therefore largely protecting public health and preventing health hazards/risks and diseases.

Key Issues for 2024/2025:

- Reporting a District Overview of Water Quality in structures such as Mayoral Committee, District Wide Infrastructure Forum, Municipal Managers Forum, and the District Mayor’s Forum.

- Inspected all initiation sites within the District.

- Participating on the Provincial Initiation Task Team lead by COGTA and developing the District Initiation Plan.

- The quality of water and food was monitored through routine inspections and collection of water and food samples for the entire District.

- Implementing Agent for funds worth R7 Million Rands from DEADET to address challenges of waste management in Makana LM:

    - Procured 6-ton tipper truck,
    - 5-ton loading truck
    - 5082 E MFWD Tractor and trailor

- Awareness projects were done in seven (7) Local Municipalities rendering Environmental Health Services on waste management, health and hygiene and animal outreach program.

- Maintenance of Environmental Health Joint Management Committee with all Local Municipalities.

- Establishment of SBDM South African Institute of Environmental Health branch.

- Implementation of SBDM Municipal Health By-law in all Local municipalities to address challenges of environmental transgression by setting environmental health standards to prevent disease, prolong life, protect, and promote the health and wellbeing of people in the municipal area.

- Implementation of EHS Tariffs in all Local municipalities.

- Training of all SBDM Environmental Health Practitioners on emission management (Air Quality and Waste Management) by DFEE.

- Created job opportunities for 40 EPWP in Janseville, Misgund and Joubettina for a period of 3 months for clearing of illegal dumping sites

- Audit by the National Department of Health to check compliance on how SBDM renders EHS function, SBDM achieved 83% in rendering the service currently acceptable threshold is 85% across the country.

- Planning and participating on community outreaches (imbizos) for local municipalities.

The total budget for the Environmental Health Services in the financial year 2024/25 financial year was **R 5 180 000**

The contributions were budgeted for the 2 Local Municipalities and were paid as follows:

Local Municipality	Amount
Kouga	R 3 496 500
Ndlambe	R 1 942 500
Total	**R 5 439 000**

Number of personnel associated with the Environmental (Municipal) Health Function:

1 x Environmental Health Manager
3 x Snr Environmental Health Practitioners
11 x Environmental Health Practitioners

COMPONENT G: SECURITY AND SAFETY

This component includes police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The only functions in this component performed by the SBDM are Disaster Management and Fire Services.

3.23 POLICE

Not applicable

3.24 FIRE SERVICES

INTRODUCTION TO FIRE SERVICES

Sarah District Municipality is rendering fire services in the Partnership Performance Service Level Agreement (PPSLA) with all its seven (7) Local Municipalities. This Partnership Performance Service Level Agreement is renewed on an annual basis to formalize the fire service arrangement whereby the Local Municipality performs the Fire Service Function on behalf of the District Municipality. In terms of Section 84(1)(j) of the Municipal Structures Amended Act, 2003 the Sarah Baartman District Municipality is mandated to perform the following functions:

- Planning, coordination and regulation of fire services throughout the Sarah Baartman District.
- Provision of specialized firefighting services such as mountain, veld and chemical services.
- Coordinating the standardization of infrastructure, vehicles, equipment and procedures.
- Training of fire officers.

The district developed and gazette Fire Services Bylaws for all seven local municipalities.

Strategic Objectives:

- Enter cross-border agreements with neighbouring district municipalities.
- Acquisition of fire/rescue vehicles, equipment and tools.
- training fire officers, firefighters, reservists and volunteers
- Conduct education and awareness campaigns concerning fire and disaster management
- Ensure that all Local Municipalities are rendering fire services in line with the Fire Brigade Act.
- Continue providing support to all seven Local Municipalities.

- **<u>2024/25 Achievements</u>**

  Procuring of fire response vehicles for:
  ➢
- Ndlambe Local Municipality
- Kouga Local Municipality;
- Makana Local Municipality.
- Koukamma Local Municipality

Firefighting vehicle for Ndlambe Local Municipality

Firefighting vehicle for Kouga Local Municipality

Firefighting truck for Koukamma Local Municipality

Firefighting vehicle for Koukamma Local Municipality

Firefighting Rescue vehicle for Makana Local Municipality

Firefighting Rescue vehicle for Makana Local Municipality

Sarah Baartman District Municipality has made an amount of **R15 330 000.00** available for Fire Services for the 2024/2025 financial year.

Staff Complement in the Fire Service Unit:

1 x Senior Manager / Division Head
3 x Fire Fighters
1 x District Fire Services Coordinator (Vacant)

3.25 OTHER (DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT

The Disaster Management Act of 2002 (Act no. 57 of 2002) requires the development of policy frameworks at a national level, a provincial level and a municipal level. As Sarah Baartman District Municipality we have developed the policy framework, and it is in line with the National and Provincial Policy Framework. This was done after consultation with all seven (7) Local Municipalities and other relevant stakeholders within the district including the Provincial Disaster Management Centre.

The district is required to implement the policy in the municipality as a management and coordination framework for disaster risk management (DRM) in the area. This disaster management framework is the integrating instrument for consolidating the disaster risk management plans of individual municipalities within the district. This policy has been prepared according to the requirements of the Disaster Management Act, the National Policy Framework and the Eastern Cape Provincial Policy Framework and has taken cognisance of other applicable municipal legislation.

The purpose of this policy framework is to provide a written Disaster Risk Management mandate, detailing management responsibilities; stakeholder participation; resources and resource capacities; and operational skills required, for the development, implementation, maintenance, monitoring, and assessment of Disaster Risk Management in Sarah Baartman District. The desired outcome is for a coherent, transparent and inclusive approach to Disaster Risk Management consistently across multiple interest groups.

Strategic Objectives:

Sarah Baartman District Municipality has defined strategic objectives to reach the overarching goal of developing more resilient communities in the Sarah Baartman Municipal Area. One of the objectives is to improve the capacity of Local Municipalities to provide a timely and appropriate response to disasters, complex emergencies, and other crises.

To promote and sustain an integrated and coordinated approach to disaster risk management by preventing and reducing risk and vulnerability; mitigating disaster severity; ensuring emergency preparedness; promoting rapid and effective response; ensuring the provision of relief and implementing rehabilitation and reconstruction measures consistently ensuring a developmental focus to give effect to applicable legislation.

- Support and capacitate local municipalities within the District and Communities at Risk on Disaster Risk Management issues.

Description of Activity

The main activity is to coordinate disaster management activities in the Sarah Baartman District consistent with the provisions of the Disaster Management Framework and Disaster Management Act 57 of 2002. The framework covers the following KPAs:

- **KPA 1**: Establishing integrated institutional capacity for disaster risk management in the district.
- **KPA 2**: Disaster Risk Assessment – A comprehensive risk assessment for the district in accordance with national and provincial standards and supporting guidelines must be conducted.
- **KPA 3**: Disaster Risk Reduction – Disaster risk reduction programmes must be developed and implemented.
- **KPA 4**: Disaster Response and Recovery - The Centre must identify agencies with responsibilities for the various operational activities associated with disaster response and recovery.

Objectives for 2024/2025

- Re-establishment of Local Municipality's Advisory Forum
- Appointment of safety patrollers for six schools in Kouga Local Municipality
- Establishment of Community Safety Forums for all Local Municipalities
- Conducting education and awareness campaigns in all seven local municipalities

- Response and recovery to disasters

Achievements in 2024/2025

- Re-establishment of Koukamma Local Disaster Management Forum
- Employment of fourteen (14) safety patrollers in Humansdorp and Jaffrey's Bay
- Provision of relief material to disaster victims across the district municipality
- Education and awareness campaigns were conducted
- Apply for municipal disaster response grant (MDRG) for Makana Local Municipality, Ndlambe Local Municipality, Dr Beyers Local Municipality, Kouga Local Municipality and funding was approved by National COGTA.

The district disaster management centre Identified Ndlambe Local Municipality as the area to host the celebration. It was then discussed with the municipality to provide a school and Mtyobo Public Primary School was identified. Speakers from various sector departments covered different topics concerning them.

The Provincial Disaster Management speaker indicated that IDDR involves measures designed to minimize the damage caused by natural hazards like floods, droughts, and fires. Like many countries, South Africa is prone to a myriad of hazards and disasters such as drought, floods, storms, lightning strikes, extreme heat, wildfires, cold spells etc. This therefore calls for effective DRR which includes preparedness, mitigation, response, and recovery efforts. In response to this, the key international framework emphasizes the importance of education and public awareness in reducing disaster risks.

This is aligned with Section 6.5.3 of the National Disaster Management Framework, communication about disaster risk reduction, preparedness, response and recovery activities is important to ensure that information is passed on to communities and those involved in early warning, response and recovery efforts. The Department of Social Development and SASSA highlighted the importance of children knowing their rights. South African Police Services Victim Support Unit also provided education and awareness on child abuse, rape, and gender-based violence.

Sarah Baartman District Municipality donated seven (7) fire extinguishers for Mtyobo Public Primary School and a hundred (100) Fire Balls to Ndlambe Local Municipality for fire-prone areas. The District Disaster Management Centre conducted a demonstration of how to extinguish fire when cooking to avoid fire spreading and being out of control.

International Strategy for Disaster Risk Reduction Commemoration in Port Alfred (Ndlambe Local Municipality)

Portfolio Cllr (A. Diniso) with Director O. Kwababana (SBDM) handing over fireballs to Cllr A. Marasi (Speaker- Ndlambe LM)

Stakeholder participation

The leading stakeholders who attended the programme are as follows: -

- Disaster Management
- Environmental Health
- Special Programmes
- Department of Education

- Department of Social Development
- Department of Community Safety
- South African Social Services Agency
- Working on Fire
- Provincial Disaster Management Centre
- Cogta District Support Services

<u>Education and Awareness Program as Risk Reduction Program</u>

Cllr Ntshota (Ward Councilor for Kouga Local Municipality with Portfolio Cllr Diniso from Sarah Baartman District Municipality during the fire awareness campaign.


Attendees during the fire awareness campaign in Sea Vista Kouga Local Municipality

Number and cost of all personnel associated with the function:

1 x Division Head Disaster and Fire Services

1 x Disaster Management Operations Manager
1 x Training and Communication Officer
4 x Disaster Management Satellite Officers
1 x Secretary
3 x Control Room Operators

Funding

Sarah Baartman District Municipality has made an amount of **R1 870 000.00** available for Disaster Management Services for the 2024/2025 financial year.

3.26 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The SBDM has in previous years been involved in the construction of sports fields in local municipality areas as a community services function. However, during the year under review, no sports fields were constructed by the SBDM, and this function is accordingly not applicable.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices, financial services, human resource services, ICT services, property services.

3.27 EXECUTIVE AND COUNCIL

Information relating to the Executive and Council is contained in Chapter 2 – Component A – Political and Administrative Governance.

3.28 FINANCIAL SERVICES

With regards to financial matters of the SBDM, this is reflected in the Municipal Manager's Overview as well as in the Annual Financial Statements.

In the Sarah Baartman District, the local municipalities provide basic services such as provision of water, sanitation and refuse removal. Electricity is provided by the local municipalities in the larger towns. Eskom provides electricity in many of the smaller towns and rural areas. The Annual Report of local municipalities contains detailed information about costs and revenue from such services.

3.29 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Sarah Baartman District Municipality [SBDM] is developing a Strategic Human Resource Management Plan which will provide guidance on how the Municipality would achieve the objectives in the IDP. The plan will be aligned with the organizational structure, aligns the Human Resource Management Goals and Strategies with SBDM's IDP, Provincial and National Strategies.

Priority Objectives

The Plan will include the key areas as detailed below:

Human Resource Management – Key policies were workshopped to all stakeholders including Councilors. During the Councilor induction Council policies which are for development and reviewing are workshopped to them through COGTA. This is being done to ensure that the Council can continuously improve compliance with laws and regulations and increase oversight in the daily management of the operations. Strategies to ensure understanding and proper implementation of such policies were introduced to improve communication.

Human Resources Provisioning – Recruitment and selection practices will be developed to promote efficient systems to speed up the filling of vacancies. Induction and orientation programmes will also improve and be aligned with the existing HR system. These will be implemented as an ongoing Council strategy to ensure provision and retaining of highly skilled personnel to achieve Council goals,

Provisioning for the unemployed graduates, finance interns and WIL learners have necessitated new strategies to be incorporated such as utilizing online platforms and direct drives which have yielded remarkable results as part of the Council quest to equip the Youth.

The critical element in which was brought about the Covid 19 pandemic created several challenges that saw a new and improved way of doing things. The processes which are particularly linked to the new HR system are to make sure that the HR policies are reviewed at suggested intervals.

The Human Resources division is currently revising the policy register which will enable Council to monitor the frequently and intervals of the changes proposed to be updated.

The performance of all employees is appraised on a quarterly basis by using an electronic orientated Performance Management System managed by the Manager: Performance Management at Municipal Manager's Office.

The Council wellness programmes will be implemented and will aid in improving the morale of employees. The physical Gymnasium facility was also commissioned for employee usage during the period under review.

Human Resource Development – The WSP is a statutory requirement which ensures that employee training and development programmes are crafted with a purpose, adequately budgeted for, and comply with certain standards. Each year a Skills Audit is conducted and a Workplace Skills Plan [WSP] is developed. The identified training programmes and interventions have improved skills and capacity in the institution.
To date approximately 98% of Managers at the level where possible promotions to Senior or

Middle Management have undergone training on Council sponsored Municipal Finance Management Programme to achieve the Minimum Competency training as determined by the Government Gazzette. The training is continuous and targets employees at lower levels particularly the Finance Interns to create a pool of Financial Management future candidates to choose from when job opportunities present themselves.

As a development strategy for future Human Resources planning, SBDM has extended the programme to Supervisory level and technical employees to undergo the same training interventions.

Labour Relations – Notwithstanding the relationships enjoyed by the parties there will always be differences which parties found themselves deadlocking on, however, those are ironed out through agreed mechanism.

The long-standing differences between Labour Unions and Employer components were ironed out as result the Local Labour forum is back in action and convening at scheduled dates.
The above interactions followed a structured schedule of meetings which occurred under strict and robust engagement amongst the parties to achieve a common goal which is that of maintaining sound labour relations at all times.

A sound labour relations environment is maintained through regular feedback communications from the Office of the Municipal Manager on issues that matter most, from employee welfare to performance.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Employees: Human Resource Services				
Job level (TK LEVEL)		**2023/2024**		
	Posts	**Employees**	**Vacancies (Fulltime equivalents)**	**Vacancies (% of total posts)**
4- 8	1	1	0	0%
9 -11	3	3	0	0%
16	1	1	0	0%
17	1	1	0	0%

Capital Expenditure 2023/2024: Human Resource Services					
Capital projects	**2023/2024**				
	Budget **R 500 000**	**Adjustment budget**	**Actual Expenditure**	**Variance from original budget)**	**Total Project value R 500 000**
Project A:	Auditing of graded jobs by an external service provider				

1. Background

1.1 Job Evaluation Strategy

The decision to use the TASK job evaluation system was originally agreed to at the South African Bargaining Council level in 2003 through the signing of a Collective Agreement between SALGA and the two Trade Unions, SAMWU and IMATU. It was agreed that a uniformed grading system, TASK, must be implemented in the local government sphere. In 2012, SALGA determined that the job evaluation process was the sole responsibility of the employer, and thereafter unions were involved in job evaluation processes through consultation only. This was formalized in the circulation of the SALGA Job Evaluation Policy for Local Municipalities 2012. This enabled job evaluation units to be established at the District or Local Municipality level.

2. Job Evaluation Unit

2.1 Establishment

Sarah Baartman DM and its Local Municipalities resolved to establish the District JE Unit *(DJEU)* that will be coordinated at the district level. The Job Evaluation Unit has been operating since 2016 with two officials responsible for the full operational activities which include the Organizational Development, Change Management and Job Evaluation disciplines. The District Job Evaluation Committee (DJEC) is constituted by three to five officials from local municipalities and the district who have been trained in the TASK Job Evaluation System. They operate on the District Council approved Terms of Reference (TOR). During this financial year, Job Evaluation processes have been on pause. This is due to the absence of Grading System and Non finalization of Job Catalogue by SALGA.

2.2 Funding: Operational Budget

The funding model for the operational budget of the DJEU is funded through a shared-services strategy and fifty percent (50%) of the budget is contributions from local municipalities allocated according to the number of job descriptions to be evaluated from each local municipality. Sarah Baartman DM as the custodian of the DJEU contributes the remaining fifty percent (50%) and other capital/operational contributions required for the smooth operations of the unit.

2.3 Coordination:

2.3.1 Local

The DJEU coordinates the job evaluation processes which includes ensuring that job descriptions have been developed within the municipalities to the required quality, as well as the grading of jobs. The members of the DJEC sit on a rotational basis and grades jobs 2 – 3 weeks per month. The SBDJEC performs its duties on the basis of adopted Terms of Reference (TOR) in accordance with the SALGA JE Policy for Local Municipalities 2012 *(also adopted by all District & Local Municipal Councils)*.

2.3.2 Auditing of grading outcomes

A District Job Evaluation Committee has been trained, and grading sessions are held every month, where jobs from the Local Municipalities and SBDM are evaluated. The Sarah Baartman District Municipality [SBDM] is responsible for grading all the posts on its organogram as well as five [5] Local Municipalities (LMs). The SBDM Job Evaluation Unit (JEU) facilitates the grading process in the District. Jobs are graded by the District Job Evaluation Committee (DJEC). Previously, graded jobs were submitted to the Provincial Audit Committee (PAC). However, because of the slow rate of auditing jobs, an external service provider was appointed on October 2022 to Audit grading outcomes from the DJEC.

Following the appointment of the external auditor, there was an improvement in the auditing of jobs even though the matter of appeals remained unresolved.

The table below depicts the progress on job evaluated and audited during the period October 2022 to November 2024. The summary of the table indicates that since the commencement of the external Auditing process in October 2022, a total of six hundred and forty **(640**) jobs has thus far been audited with the results have been submitted to the respective Municipalities.						
Responsibility:	**ORGANOGRAM - MUNICIPALITIES**	**JEU & DJEC & Auditing**				
Municipalities	**Posts to grade**	**Jobs Graded**	**% jobs graded**	**# Jobs Audited**	**% Jobs Audited of jobs graded**	**Jobs still to be graded**
Blue Crane Route	**168**	**43**	**26%**	**43**	**100%**	**125**
Dr Beyers Naudé	**253**	**214**	**85%**	**210**	**98%**	**39**
Koukamma	**132**	**101**	**76%**	**99**	**98%**	**31**
Ndlambe	**258**	**191**	**74%**	**157**	**82%**	**67**
Sundays River Valley	**124**	**107**	**86%**	**92**	**86%**	**17**
Sarah Baartman	**67**	**46**	**69%**	**46**	**100%**	**21**
Totals	**990**	**702**	**71%**	**640**	**91%**	**288**

3. Challenges

3.1 Organizational Development Support

Job Writing & Quality Assurance

The success of the job evaluation process has foundations in the quality of the job descriptions being of the required standard. Currently the local municipalities do not have the capacity to be able to develop job descriptions to this standard. Hence, a service provider has been contracted by SBDM to develop job descriptions for all the municipalities. It is the intention of the DJEU to build capacity within the municipalities to enable them to develop their own job descriptions. Furthermore, the slow signing of job descriptions by incumbents also impedes the submission of them to the DJEU to be scheduled for grading.

3.2 Job Evaluation Final Result Outcome Appeals

Currently at SBDM, all appeals are not attended due to capacity constraints. There is also no formal structure (Appeals Committee) in place to attend to appeals. Many appeals were received from LM's and the District; however they were not attended to due to the non-existence of the Appeals Committee. Therefore, to date, no appeals have been addressed. Strides were carried out by requesting assistance from other municipalities but with no luck.

***3.2* Organizational Development**

Many of the municipalities within the district have outdated organograms. This impacts on the accuracy of the job descriptions that have been developed. Facilitating the process of updating individual municipalities' organograms is a time-consuming and costly exercise. As job evaluation is dependent on up-to-date job descriptions, which are in turn based on up-to-date organograms, this Organizational Development issue will continue to a challenge to the success of the job evaluation process within the district.

***Conclusion**

The DJEU has received job descriptions from the municipalities. The grading process is ongoing by the DJEC. The external auditing service provider audit jobs from all the Sarah Baartman District. The number of positions that must be evaluated in the district is substantial. It is acknowledged with appreciation that the members of the DJEC must sacrifice time away from their normal work when attending grading sessions. This is to the benefit of all the municipalities in the district.

All municipalities depend on their staff employed. Ensuring that jobs are correctly graded facilitates various key human resources processes: being able to attract and retain staff through accurate grading and consequent remuneration; addressing internal demotivation of staff from perceived incorrectly graded jobs. Overall, the status of job evaluation has improved, however the matter of dealing with appeals is still a major challenge.

3.30 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

1. **Below is the status with regards to compliance of Corporate Governance Information Communication Technology Policy Framework (CGICTPF), as per the ICT Policies Master Plan:**

   1.1. Overview of Sarah Baartman District Municipality with regards to implementation of ICT Governance:

   The purpose of the Municipal Corporate Governance ICT Policy Framework is to institutionalise the Corporate Governance of ICT as an integral part of corporate governance within municipalities. This Municipal Corporate Governance ICT Policy Framework provides the Municipal Council and Management within a municipality with a set of principles and practices that must be complied with, together with an implementation approach to be utilised for implementation of ICT Governance within Municipalities.

The Sarah Baartman District Municipality has implemented the Municipal Corporate Governance of ICT Policy Framework **Phase one (1)** which is the Enabling Environment. Therefore, has established Corporate Governance of ICT environment through the adoption of the Municipal Corporate Governance of ICT Framework Policy and its associated policies through Council resolution. In addition, the Municipality has implemented **Phase two (2)** which is the Business and Strategic Alignment. Therefore, upon development of the ICT Strategy and Implementation Plan, which was adopted by the Council, that process has ensured implementation of ICT governance and alignment with the Municipal objectives where the ICT Steering Committee plays oversight in ensuring that the goals of the Municipality are implemented through ICT.

The Municipality is now in **Phase three (3)** of the Municipal Corporate Governance of ICT Policy Framework, where continuous Improvement maintained and ensured by the Institution and ICT. Therefore, the Municipality is at the stage of an on-going process to achieve continuous improvement of all elements related to the Governance of ICT.

The Corporate Governance of ICT Policy Framework allows municipalities to maintain alignment of strategic ICT functions to meet their needs and apply good practices to reduce costs and increase the effectiveness of the ICT service delivery to the municipality.

1.1.1. Approved and implemented ICT Corporate Governance Policy Framework:

The ICT Corporate Governance Policy Framework Policy enable organisations to manage their ICT risks effectively and ensure that the activities associated with information and technology are aligned with their overall business or Municipal objectives.

Status:
The ICT Corporate Governance Policy Framework has been reviewed, updated, and adopted by Municipal Council on the 19th of October 2022.

1.1.2. Approved and implemented Municipal Corporate Governance of ICT Charter:

The purpose of the Municipal Corporate Governance of ICT Policy is twofold; firstly, it guides the creation and maintenance of effective enabling governance structures, processes and practices as dictated by the Municipal Corporate Governance of ICT Policy. Secondly, the Charter also clarifies the governance of ICT-related roles and responsibilities towards achieving the municipality’s strategic goals.

The Charter depicts how the Municipal Corporate Governance of ICT Policy will be implemented and describes the related structures, processes, functions, accountability, roles
and responsibilities, delegations and reporting responsibilities. The Charter has been customised to accommodate the Municipal unique operating environment, whilst ensuring the principles of the Municipal Corporate Governance of ICT Policy are maintained.

Status:
The Municipal Corporate Governance of ICT Charter Policy has been reviewed, updated, and adopted by Municipal Council on the 19th of October 2022.

1.1.3. Approved and implemented ICT Steering Committee Charter

The ICT Steering Committee plays one of the key ICT governance roles within the Municipality and as such it is necessary to describe the role and responsibilities of the Committee and the membership and meeting structure that suits the needs of the Municipality. ICT Steering Committee policy determines the Terms of Reference for its ICT operation that is relevant to the municipality.

Status:
The ICT Steering Committee Charter policy has been reviewed, updated, and adopted by Municipal Council on the 19th of October 2022.

1.1.4. Governance Champion designated and responsibilities allocated.

The role and responsibilities of the Governance Champion is designation or delegated to the ICT Manager which is the new position on the organogram.

1.1.5. A proficient ICT Manager or CIO appointed functioning at strategic level

Referring to compliance to the above-mentioned requirements especially on ICT Manager, the Job Evaluation Unit which forms part of the Corporate Services Department has reviewed, updated the old Municipal Organogram. Therefore, the new updated Organogram has been adopted by the Municipal Council of the 26th of July 2023 and includes the ICT Manager position effective from the financial year of 2024 of 2025.

1.1.6. Approved and implemented Risk Management Policy

The objective of performing risk management is to enable the municipality to accomplish its mission(s)

- By better securing the IT systems that store, process, or transmit municipal information
- By enabling management to make well-informed risk management decisions to justify the expenditures that are part of an ICT budget
- By assisting management in authorizing (or accrediting) the IT systems based on supporting documentation resulting from the performance of risk management.

Status:

The Risk Management Policy has been reviewed, updated, and adopted by the Municipal Council on the 19th of October 2022.

1.1.7. Implemented Internal Audit Plan that includes ICT audits.

The IT Audit Action Plan remains an ongoing submitted item in the ICT Steering Committee Meetings to ensure that ICT related finding are actioned and implemented.

1.1.8. Approved and implemented ICT Management Framework.

The ICT Management Framework aims at ensuring that Municipalities manage their IT risks effectively and in line with the overall business objectives. ICT governance frameworks enable organisations to produce measurable results toward achieving their ICT strategies and goals.

Status:
The ICT Management Framework Policy has been reviewed, updated, and adopted by Municipal Council on the 25th of January 2023.

1.1.9. Approved and implemented municipal Portfolio Management Framework that includes ICT portfolio/programme and project management.

The ICT Portfolio / Project Management Policy Framework describes the Department Policy Framework regarding the management of all Information Technology Projects that may be undertaken with the Finance Department (Information Communication Technology Services Unit).

The objective of the policy is to ensure that projects are effectively managed within the limitation of scope, quality, resources (Time and Budget and Risk), and that appropriate governance and control is established.

Status:
The Portfolio Management Framework Policy has been reviewed, updated, and adopted by the Municipal Council on the 25th January 2023

1.1.10. Approved ICT Disaster Recovery Plan informed by Municipal Continuity Plan and Strategy

The ICT Disaster Recovery Plan has been incorporated in the Business Impact Analyses, Backup and Disaster Recovery Plan Policy.

The Business Impact Analyses, Backup and Disaster Recovery Plan (BIABDRP) Policy firstly has incorporated within the document the Business Impact Analyses which predicts the consequences of disruption of a business or Municipal function and process and gathers information needed to develop recovery strategies. Potential loss scenarios must be identified during a risk assessment which must be completed annually, which includes vulnerability testing. Secondly, the document Includes the Backup procedures to mitigating loss of Municipal data, information, and thirdly includes the Desaster recovery plan which ensures that there is Municipal business continuity, and that the services of the Municipality are not affected by system, software, or hardware failures. That proactive measures are put in place to ensure that the Municipal Systems are secured 99.99% (seven (7) days a week and 365 days a year).

Status:
The Business Impact Analyses, Backup and Disaster Recovery Plan Policy has been reviewed, updated, and adopted by Municipal Council on the 26 July 2023.

1.1.11. Approved and implemented Data Backup and Recovery policy.

The Data Backup and Recovery policy has been incorporated in the Business Impact Analyses, Backup and Disaster Recovery Plan Policy.

The Business Impact Analyses, Backup and Desaster Recovery Plan (BIABDRP) Policy firstly has incoporated within the document the Business Impact Analyses which predicts the consequences of disruption of a business or Municipal function and process and gathers information needed to develop recovery strategies. Potential loss scenarios must be identified during a risk assessment which must be completed annually, which includes vulnerability testing. Secondly, the document Includes the Backup procedures to mitigating loss of Municipal data, information, and thirdly includes the Desaster recovery plan which ensures that there is Municipal business continuity, and that the services of the Municipality are not affected by system, software, or hardware failures. These proactive measures are put in place to ensure that the Municipal Systems are secured 99.99% (seven (7) days a week and 365 days a year).

Status:
The Business Impact Analyses, Backup and Disaster Recovery Plan Policy has been reviewed, updated, and adopted by Municipal Council on the 26 July 2023.

1.1.12. Approved and implemented ICT Service Level Agreement Management policy (External).

The ICT Service Level Management Policy External recognizes that municipalities are diverse in nature and therefore adopts the approach of establishing and clarifying principles and practices to support and sustain the effective control of service level agreement management, the policy covers the supply of ICT hardware, software, services and personnel.

This policy is regarded as crucial to the operation and security of ICT systems of the Municipality. Municipalities must develop their own Service Level Agreement controls and procedures by adopting the principles and practices put forward in this policy.

The policy covers the following elements of service level agreement management of external service providers/vendors:

- Agreement with service providers/vendors;
- Service management; and
- Change control

Status:
The ICT Service Level Agreement Management policy (External) has been reviewed, updated, and adopted by the Municipal Council on the 25th of January 2023.

1.1.13. Approved and implemented ICT Service Level Agreement Management policy (Internal).

This ICT Service Level Agreement Policy has been developed to guide and assist municipalities to be aligned with internationally recognised best practice standards. This policy applies to the Municipal Manager and the IT System Administrator involved in setting and managing service levels between ICT and the Municipality.
This policy is regarded as being crucial to the operation and security of ICT systems of the Municipality. Municipalities must develop their own Service Level Agreement, Management controls and procedures by adopting the principles and practices put forward in this policy.

The policy covers the following elements of service level agreement management between ICT and the Municipality:

- Agreement between Information Technology Services Unit and the Municipality; and
- Service management

Status:
The ICT Service Level Agreement Management policy (Internal) has been reviewed, updated, and adopted by the Municipal Council on the 25th of January 2023.

1.1.14. Approved and implemented ICT User Access Management policy.

The purpose of this policy is to prevent unauthorised access into Municipality information systems. The policy describes the registration and de-registration process for all SBDM information systems and services. The policy applies to new employees, exiting employees and a change in access requirements in terms of changes in employee's positions or responsibilities.

The objective of this policy is to define the user access management control measure for the Municipal ICT Systems, information and infrastructure. The main objective of this policy is to provide the Municipality with the best practice User Access Management controls and procedures to assist the Municipality in securing their user access management procedure.

Status:
The User Access Management Policy has been reviewed, updated, and adopted by the Municipal Council on the 26 July 2023

1.1.15. Approved and implemented ICT Change Management and Control Policy.
The purpose of the policy is to ensure the implementation of change management and control strategies to mitigate associated risks such as:

- Information being corrupted and/or destroyed;
- Computer performance being disrupted and/or degraded;
- Productivity losses being incurred; and
- Exposure to reputational risk.

Status:
Change Management Control has been reviewed, updated, and adopted by Municipal Council on the 25 January 2023.

1.1.16. Approved and implemented ICT Operating System Security Controls policy.

The objective of the policy is to reduce and/or prevent the risk of damage that can be caused to the Municipality's ICT systems, information, and infrastructure. This policy seeks to outline operating system security controls for SBDM Municipal employees to ensure that the controls are applied correctly to all devices and are in line with best practice.

Status:
The ICT Operating System Security Control Policy has been reviewed, updated, and adopted by the Municipal Council on the 19 October 2022.

1.1.17. Approved and implemented ICT Code of Conduct

The administrative Code of Conduct statement sets forth the Code of Conduct of Municipality regarding use of, access to, and disclosure of electronic mail and network resources to assist in ensuring that the municipal resources serve those purposes.

Status:
The ICT Code of Conduct Policy has been reviewed, updated, and adopted by the Municipal Council on the 2 December 2024.

1.1.18. Approved and implemented ICT Firewall Management Policy

The Policy Is designed to prevent unauthorized access to or from a private network through protecting and controlling both internal and external connections based on applied rules and configurations on the network it exists both as software to run-on general-purpose hardware and as hardware appliance.

Status:
The ICT Firewall Management Policy has been reviewed, updated, and adopted by Municipal Council on the 27 March 2024.

1.1.19. Approved and implemented Incident Response Plan Policy

The Policy is documented to provide a well-defined, organized approach for handling any potential threat to computers and data, as well as taking appropriate action when the source of the intrusion or incident at a third party is traced back to the organization. The Plan identifies and describes the roles and responsibilities of the Incident Response Team. The Incident Response Team is responsible for putting the plan into action.

Status:
The Incident Management Policy including the Incident Response Plan were reviewed, updated, and adopted by Municipal Council on the 25th of January 2023.

1.1.20. Approved and implemented Incident Management Policy

The aim of this policy is to ensure that the Municipality reacts appropriately to any actual or suspected security incidents relating to information systems and data.

This document applies to all the Municipal Employees, Councillors, contractual third parties that utilize the Municipality ICT facilities and equipment or have access to the information of the Municipality. All users must understand and adopt use of this policy and are responsible for ensuring the safety and security of the Municipal systems and the information that they use. All users have a role to play and a contribution to make to the safe and secure use of technology and the information that it holds

Status:
The Incident Management has been reviewed, updated, and adopted by the Municipal Council on the 25th of January 2023.

1.1.21. Promotion Of Access To Information Act And protection Of Personal Information Act (POPIA) Compliance Policy

POPIA aims to promote the protection of privacy through providing guiding principles that are intended to be applied to the processing of personal information in a context-sensitive manner. A person's right to privacy entails having control over his or her personal information and being able to conduct their affairs relatively free from unwanted intrusions.

Given the importance of privacy, Sarah Baartman District Municipality (SBDM) is committed to effectively managing personal information in accordance with the provisions of POPIA.

The purpose of this policy is to enable SBDM to:

- Comply with the law in respect of the data it holds about.
- Following industry best practices with regards to the protection of personal information.
- Protect SBDM Councillors, staff and third parties.
- Protect SBDM from the consequences of non-compliance i.e. Litigations.

Status:
The Promotion of Access to Information Act and Protection of Personal Information Act (POPIA) Compliance Policy according to the Internal Auditors recent finding, the previous version did not fully cover weaknesses in Classification of Data, Classification into data handling processes based on its sensitivity, importance, and confidentiality and therefore the policy has been updated, must be submitted to the ICT Steering Committee upon review by Manager Legal, then submitted to the Mayoral Committee for the recommendation of Council Approval.

1.1.22. Approved and implemented ICT Strategy and Implementation Plan

The ICT strategy has been developed and delivered on phase one (1) and phase two (2) of the Municipal Corporate Governance of Information and Communication Policy. The ICT strategic goals must be aligned with the municipality's strategic goals, and Integrated Development Plan (IDP) and support the municipal processes. The ICT Strategy covers a period of five years from 2022 until 2027, has included all the ICT related projects for the purpose of ensuring that return on investment (ROI) is realized, and value for money.

Status:
The ICT Strategy and Implementation Plan (2022 – 2027) has been reviewed, updated, and adopted by Municipal Council on the twenty sixth (26) July 2023.

1.1.23. Approved and implemented ICT Operational Risk Register

The ICT Operational Risk Register encompasses all the risk within the ICT Section and is an operational updated document for ICT to mitigate risk. These risks are incorporated in the institutional Risk register for monitoring and evaluation by the Management.

1.1.24. Implemented Enterprise Architecture Plan (IEAP)

The Enterprise Architecture Plan is a holistic view of the organization's structure, processes, systems, and data. It defines the current and future state of the organization (Municipality), and the principles, procedures and standards that guide its progress. Enterprise Architecture helps to align the organization's strategy, vision, and values with its ICT capabilities. Enterprise Architecture also provides a framework for governance, compliance, and change management.

Status:
The Enterprise Architecture Plan (EA) has been prepared by the Information Communication Technology Services Unit for the purpose of compliance.

1.1.25. Implemented ICT Migration Plan

The purpose of the Migration Plan document is to provide guidelines associated with the migration and capturing of data for use by computerized systems to be developed and commissioned. This is to assist projects to make provisions for a fast and efficient way of preparing and collecting quality data, at a cost-effective price, supporting the required project schedule and ready for loading into the new computerized system covering:

- Data.
- Processes and Procedures.
- Legislation.

Status:
The ICT Migration Development Plan to be developed by 31 March 2024, and for the purpose of compliance

2. ICT Infrastructure Assessment

The scope and objective of this assessment was to identify key ICT infrastructure areas within the Sarah Baartman District Municipality that required urgent attention to be rectified, addressed and or to be replaced with suitable solutions. To also inform and communicate to the Municipality the findings and requirements to address the identified areas in alignment with recommended solutions

The scope of this assessment was limited to the ICT Infrastructure Environment; no detailed assessment was completed at end user level

The following areas were assessed:

a) IT Infrastructure and Systems
   - Server hardware

b) Network Infrastructure
   - Switches
   - Router : (Routers belong to the Service Providers they will replace as required)
   - Firewall : (MTN Managing our Firewall until end October 2025)
   - Internet Gateway: (Internet Services With MTN until the End October 2025)

Based on the assessment completed, an executive summary of the findings was presented at the ICT Steering Committee with recommendations to migrate from physical servers to virtual servers with reduced costs which were subsequently accepted and adopted.

2.1 Progress

a) IT Infrastructure and Systems
   - Server hardware:

     Status

     All the legacy Hardware Servers have been successfully replaced, and are now running on latest Operating System which is Windows Server 2022, and are able to received Microsoft Security updates, the line of business applications (LOB) such as Sage People (HR and Payroll) System and its databases migrated successfully, Municipal Finance System (APPX) and its database migrated successfully, ArcGIS Systems and its database migrated successfully, Jarrison Time and Attendance and its database migrated successfully, and File Server which has Municipal data and Information, the actual data was migrated successfully with no loss of data or information.

Multifunctional Printers:

Printers Maintenance and Support came to an end with Xerox August 2022 and new bid awarded as and the same company is providing maintenance and support and currently has an active contract

b) Network Infrastructure
   - Switches:

     Status

     The five (5) Access Cisco Switches, inclusive of the one (1) Core Cisco Switch which are the back end of the Municipal Network for provision of Internet and network have been successfully replaced on the 27th of October 2023.

     Status

     The Cisco Voice Router, inclusive of the Call Manager Server, and Municipal IP Telephones has been replaced as part of the project Bid 18/2023 Supply

Delivery Installation and Commissioning of an Integrated IP PABX Telephone in July 2024. (Maintenance Contract Active)

- Firewall:

  Progress **(Complete):**
  The FortiGate 100 D firewall has been replaced and was administered by provider MTN during the 2024/2025 financial year.

- Internet Gateway: The two (2) Internet routers for provision of Internet redundancy, failover ensure that the Municipality does not have Internet downtime. The two (2) Internet routers belong to the Internet Service Provider (ISP); therefore, it is under the ISP warranty. Therefore, these two (2) items do not have to be replaced by Sarah Baartman District Municipality

3. Implementation of Municipal Standard Charts of Accounts (mSCOA)

3.1. The Municipalities Financial System is required to be mSCOA compliant by National Treasury, which meant that Municipal Finance Systems must have the following modules:

3.1.1. Seamless Integration with third party System (Sage People HR and Payroll System)

The Municipality has complied with the requirements of National Treasury, Municipality developed the Municipal Financial System Accounting module to be able to interface with the third-party applications seamlessly (Sage People HR and Payroll System) as that was the objective which was completed in September 2019.

3.1.2. Seamless Integration with Asset Management System (AMS 360 System)

The Municipality has completed the Interfacing development of the Financial System with the Asset Management System (AMS360), from a Municipal Finance System (APPX) perspective. The reconciliation is currently done for Asset Management System (AMS 360) Fixed Asset Register (FAR) with the excel Fixed Asset Register (FAR).

The municipality must ensure functionality of the module and fully utilise the Asset Management System.

3.1.3. Seamless Integration with Central Supplier Database (CSD)

The Municipality has complied with the requirements of the National Treasury. Municipality developed the Municipal Financial System to be able to seamlessly integrate with the National Treasury Central Supplier Database (CSD). There project milestone was successfully completed and went live on the 1st of July 2022. Few challenges existed which we overcame as a team. Multiple interface extractions were conducted where the data was tested with the SBDM team. This helped to streamline and plug any gaps which may come up in the live environment. These controls have substantially improved the payment process.

At the end of the year, many suppliers go dormant automatically and need to be activated again in the new year. Going live on the 1st of July 2022 meant that the supplier base for automation would be at its lowest and activation of suppliers would ensure the integrity of the data between CSD and APPX was at its maximum.

3.1.4. IDP/SDBIP Module

- The Programs have been approved and transferred to live.
- IDP and SDBIP population have been completed.
- The quarterly reporting with Project Managers commenced as of January 2024.
- The Project Managers get email auto alerts, with regards to populating progress on Municipal Projects.

3.1.5. Budget Module

The Municipality has complied with the requirements of National Treasury, Municipality developed an mSCOA compliant budget module in the year 2019, as that was the objective.

3.2. OVERALL, VIEW WITH REGARDS TO MSCOA COMPLIANCE STATUS OF THE MUNICIPALITY

The Sarah Baartman District Municipality has complied with the mSCOA requirements and managed to cater and developed the crucial core components mentioned below:

- Seamless Integration with the Central Supplier Database (CSD).
- IDP/SDBIP Module and procedures.
- Schedule generations
- Adjustment budget procedures
- Yearend procedures
- Items Classification Funding Allocations and all their segments.
- Financial Accounting
- mSCOA System change management procedures
- General Ledger as per mSCOA regulation
- Billing for municipalities
- Procurement, Supply Chain Management Module that complies with regulation, and procedures
- Budget module and procedures
- HR and Payroll module with leave management (integration with third party application)
- Extraction and loading of the segmented transactional string directly to the National Treasury local government Database (LG Database)
- The System can reflect all six (6) the mandatory mSCOA segments at a transactional level (currently in use), without any mapping or extrapolation or any other manual intervention. The seventh mSCOA segment (Costing segment) to be made mandatory at a date to be determined by National Treasury
- Extract schedules and documents in PDF format, containing ALL sheets as prescribed and with each worksheet displaying an embedded system stamp to certify that it has been produced directly from the system

- Contract management, including: – Performance contracts for senior management and all levels of municipal officials
- The system can produce seamless reporting against the service delivery-and budget implementation plan (SDBIP) inclusive of financial performance indicators
- Business intelligence reporting solutions that as a minimum assist the municipal manager to implement, monitor and comply with MFMA section 70 (Impending shortfalls, overspending and overdrafts)
- The system is able to incorporate new chart versions as and when National Treasury releases them
- The System Fulfills all legislative mSCOA requirements
- Integration with application for drafting Annual Financial Statements
- Retired GUID’s to be highlighted proactively
- Full Description of ITEM GUID (Different Levels) to be displayed on various reports and input programs
- Central Supplier Database (CSD) Flagging at Requisition Stage regarding up-to-date Good Standing and Service of the State employees
- Maintaining Automation of Preferential Points
- The system can reflect on Review of Creditor Accruals
- Ensure the system can utilize and change the Automated Bank Reconciliation System
- Grant Management System Automation
- Ensure the system can produce Fund GUID Accumulation
- Investment Tracking System to feed directly into the strings
- Ensure the System can execute Trial Balance from MSCOA point of view (ITEM and FUNCTION using full Descriptions on downloads)
- M12/M13/M14/M15 Block to be implemented with date so Journals cannot be updated by mistake
- Accumulative year to date strings for actuals with controls
- The system requires internal controls and must generate automated reports.

The mSCOA System response time is efficient and quick with regards to generating of schedules. Therefore, the are no delays when the mSCOA System is operating and the fact that the system is workflow driven.

Project Service Level Agreement Tracker – Workplan Year 1 Planned Hours

Period from 15 October 2024 until 14 October 2025					
Milestones - SLA	**SLA Item**	**Period from 15 October 2024 until 14 October 2025+F3:F19**	**Development**	**Operational**	**Difference**
Support (2024/2025)	General Support Items	40.0	10	30	0.0
Development / Improvement of Systems	Bank Reconciliation	16.0	10	6	0.0
Support (2024/2025)	Contract Register	8.0	5	3	0.0
Reports (Schedules Amendments, Alignment and Strings)	Core and non-core GUID's	8.0	5	3	0.0
IDP/SDBIP	IDP/SDBIP	16.0	10	6	0.0
Development / Improvement of Systems	Fleet Management	32.0	22	10	0.0
Development / Improvement of Systems	Cheque Request and Payment Certificates	32.0	22	10	0.0
Reports (Schedules Amendments, Alignment and Strings)	All Schedule/Strings related support	16.0	10	6	0.0
Support (2024/2025)	Investment Monitoring and Strings	8.0	5	3	0.0
Support (2024/2025)	Business Processes Workshops Analysis	0.0			0.0
Support (2024/2025)	Other Hours and Meetings	20.5	5	15.5	0.0
	Total SLA Hours	196.5	104	92.5	0.0
	Total number of allowed hours	196.5			
	Remaining Hours	0.0			

Summary
At this stage there are no challenges with the timeline.

3.31 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Risk Management and Procurement services have been covered under 2.6 and 2.8 above respectively.

Property

The SBDM currently operates its administration and all its Council affairs out of one administration building. The Municipality has several investment properties in various parts of the District. The manner in which they are classified, their location, size, values etc are contained in the Asset Register.

Legal Services

Legal Services

There is one Senior Manager: Legal Services who is responsible for litigation, to ensure compliance with all relevant Acts and Regulations, provide legal opinions in legal actions leveled against the Municipality, give advice on labour matters, assist in investigations relating to disciplinary hearings, prepare legal documents such as lease agreements, contracts etc, provide legal support to local municipalities and attend to all legal matters of the municipality.

SERVICE STATISTICS FOR LEGAL SERVICES

1. Management of litigation

   a. Favourable cases – 3 (three)
   b. Unfavourable cases - Nil

There are no pending cases against the municipality that sound in money that have not been finalized.
There are three cases in favour of the municipality that are active.

2. Default judgments - Nil

3. Prevention mechanisms of current litigations

   The SBDM Risk Management Strategy incorporates the assessment of legal risk and the strategies that can be put in place as prevention mechanisms for such risks as identified. Every year a workshop on Risk Management is conducted.

4. Criminal matters emanating from corruption and fraud –Nil
5. Management of Legal Risks
   There is no specific policy dealing with management of legal risk, this is dealt with in the Municipality's Risk Management Strategy.

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

All investments are made on property belonging to local municipalities. These have become assets of the local municipalities.

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

All investments are made on property belonging to local municipalities. These have become assets of the local municipalities.

COMPONENT J: MISCELLANEOUS

Not applicable to SBDM

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for 2024/25.

Sarah Baartman
DISTRICT MUNICIPALITY
Province of the Eastern Cape
progress through development

SARAH BAARTMAN DISTRICT MUNICIPALITY

ANNUAL PERFORMANCE REPORT

2024/2025

ANNUAL PERFORMANCE REPORT 2024/25

Objective	Strategy	Project	Proj no.	Key Performance Indicator	Project Managers	Department	GFS	Year-end Actuals 2023/24	Annual Target 2024/25	2024/25 Account Number	[illegible]	Actual Expenditure	Actual & reason for variance	State if Project is Completed, Target Achieved, Partially Achieved, Target Achieved or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started	Means of Verification	Evidence Yes
DEVELOPMENT PRIORITY 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DEVELOPMENT PRIORITY 2: FINANCIAL VIABILITY AND MANAGEMENT																	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DEVELOPMENT PRIORITY 3: ECONOMIC DEVELOPMENT																	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Objective	Strategy	Project	Proj no.	Key Performance Indicator	Project Managers	Department	GFS	Year-end Actuals 2023/24	Annual Target 2024/25	2024/25 Account Number	2024/25 [illegible]	Actual Expenditure	Reports for Annual Performance [illegible] 2024/25				
													Actual & reason for variance	State if Project is Completed, Target Achieved, Partially Achieved, Target Achieved or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started	Means of Verification	Evidence Yes
		Support to SMME Tourism Enterprises	[illegible]	SMME's financially and non-financially supported in the 7 LM's in the District	Tourism Manager (Fumeza) 1st Floor	Planning and Economic Development	Tourism	2 tourism SMME's supported at at end of the FY	7 SMME's financially and non-financially supported in the District	[illegible]	R 100 000	R [illegible]	5 SMMEs were supported and funds depleted as the budget could not meet the requirements to support 7 Tourism SMME's	Target Achieved	Not applicable	Report to Mayco	Yes
Developing skills and education base by increasing the number of semi skilled and skilled people in the District	To promote creative arts and talent development	Support festivals the District in SRVLM, Ndlambe, Kouga and Makana	[illegible]	Support the National Arts Festival Foundation financially ... in Creative Industry activities in the Sarah Baartman District Municipality(SRVLM, Ndlambe, Kouga and Makana)	Tourism Manager (Fumeza) 1st Floor	Planning and Economic Development	Creative Industries	12 events supported for the year. NAF and other activities linked to NAF were supported, [illegible] festival was also supported in Kirkwood	Financially support Festivals/ events [illegible] in Creative Industry activities in the Sarah Baartman District Municipality(SRVLM, Ndlambe, Kouga and Makana) completed	[illegible]	R 3 000 000	R 2 [illegible]	Events targeted and were achieved as planned	Target Achieved	Not applicable	Report to Mayco	Yes
DEVELOPMENT PRIORITY 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION																	
To reduce the impact of HIV/AIDS in the District	Implementation of the District and Local HIV/AIDS Plan	Implementation of the HIV/AIDS Plan in the District	[illegible]	Implementation of the planned issues according to the HIV/AIDS Annual Plan in the District	Ms [illegible] HIV & AIDS Coordinator 6th floor	Municipal Manager	Community and Social Service	Empowerment on TB, Empowerment on TB, HIV and STIs was held in Markey on 17-18 May 2024. Candlelight Memorial service was held in Klipplaat, Dr Beyers Naude on 24 May 2024. Anti Substance Abuse Campaign was held in Patensie - Kouga on 30 May 2024	100% HIV/AIDS Plan implemented through HCT (HIV Counseling and Testing), TB (Tuberculosis)and STI (Sexually Transmitted Infections) GBV (Gender Base Violence), Anti-Substance Abuse Campaign through community Dialogues and Door to Door campaigns in the District and LMs	[illegible]	R 200 000	R [illegible]	100% HIV/AIDS Plan implemented through HCT (HIV Counseling and Testing), TB (Tuberculosis)and STI (Sexually Transmitted Infections) GBV (Gender Base Violence), Anti-Substance Abuse Campaign through community Dialogues and Door to Door campaigns in the District and LMs Projects 100% completed	Target Achieved	Not applicable	Reports and Attendance Register	Yes
Build capacity of all LMs for effective mainstreaming of youth, women and people with disabilities development in policies and programmes	Facilitate advocacy and lobbying campaigns for the employment of designated groups	Recruitment of 30 Safety Patrollers from Community Workers for improved security at Humansdorp High School and Comprehensive High School in Kouga Local Municipality and the provision of PPE for the Community Workers	[illegible]	Recruitment of [illegible] Safety Patrollers from Community Workers for improved security at Humansdorp High School and Comprehensive High School in Kouga	Snr Manager: Disaster Management (Kanyisa) 5th Floor	Infrastructure Development and Community Services	Public Safety	Recruitment of 12 Safety Patrollers from Community Workers for Improved Security through the provision of Security Patrollers at Humansdorp Senior Secondary School in Kouga Local Municipality was done. The school that was initially identified was Humansdorp Secondary, but when the project started there were other schools identified with the same challenge by SAPS and Community Forums. We then had to divide the participants amongst the schools. The improvements based on that there were no cases of fights and threats in the schools	Recruitment of [illegible] Safety Patrollers from Community Workers for Improved Security through the provision of Security Patrollers at Humansdorp Senior Secondary School and Comprehensive High School in Kouga Local Municipality	[illegible]	R 250 000	R 250 000	14 safety patrollers appointed. PPE could not be procured due to limited funds, as a result project needed in December 2024	Target Achieved	Not applicable	Report, attendance registers	Yes
Developing skills and education base by increasing the number of semi skilled and skilled people in the District	Create sector skills development opportunities	Program for learners (Chinese scholarships)	[illegible]	Number of local youth facilitated	Dr Albert [illegible] (1st floor)	Municipal Manager Office	Planning & Development	Not applicable	Facilitate 1 local youth to study abroad	[illegible]	R 350 000	R 726 [illegible]	Facilitate 1 local youth to study abroad was achieved	Target Achieved	Not applicable	Agreements, Reports and Attendance Registers	Yes
To ensure that the IDPs of the LMs are in place and are annually reviewed	Support LMs on the development of IDPs	To develop a credible IDP for SBDM	[illegible]	To develop a credible IDP through engagements with Communities and Officials in the 7 LMs in SBDM. To conduct 4 Representative Forms and 4 IDP/Budget Steering Committee meetings	Mr [illegible] Acting IDP Manager	Planning and Economic Development	Planning & Development	Final IDP document adopted by council, but the rep forum that was scheduled for the quarter did not materialise. The IDP Rep forum was intended to inform stakeholders of the approval of the IDP budget 2024/25. Budget steering committee held, and outreach sessions held with stakeholders in their respective municipal areas	To develop a credible IDP for SBDM	[illegible]	R [illegible]	R 296 [illegible]	A credible IDP for SBDM was developed and approved in Council in May 2025	Target Achieved	Not applicable	Council Resolutions	Yes
DEVELOPMENT PRIORITY 5: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
Well capacitated Municipalities in Governance and administration as per COGTA [illegible]	Building in-house capacity in LMs so that they can perform their functions and statutory institutional systems	Support and improve job evaluations within 7 LMs and SBDM	[illegible]	1. Ensure that 300 of the jobs to be graded in SBDM and 7 LMs in SBDM are evaluated 2. Ensure that 300 of the jobs evaluated in SBDM and 7 LMs in SBDM are audited	Mr Lundi Nqawe: Manager Corporate Services	Finance & Corporate Services	Finance and Admin	1. Two hundred (200) jobs graded in SBDM and 7 LMs were evaluated 2. Two hundred and fifty (250) jobs evaluated in SBDM and 7 LMs were audited. The target was partially met due to insufficient job descriptions being received by the JEU. This situation has been discussed with the relevant Human Resources Departments at the LMs, to urge them to increase the submission of job descriptions in order to catch up on the backlog. In addition, a meeting was held with the LMs to encourage speeding up the delivery of job descriptions	1. Ensure that 300 of the jobs to be graded in SBDM and 7 LMs in SBDM are evaluated 2. Ensure that 300 of the jobs evaluated in SBDM and 7 LMs in SBDM are audited	[illegible]	R 200 000	R 29 [illegible]	There were no jobs graded during the year due to the suspension of Deloitte Grading System. The grading process is on hold in all municipalities that are using the TASK System. A process of Job Catalogue was initiated by SALGA with the intention of completion by June 2025 but it was not finalized by this date. Due to these changes, SBDM plans to have a special consultation session in the 2025/26 with all Corporate Services Directors and HR Managers with the aim of providing a directive in relation to JE in the district	Target not achieved	There were no jobs graded during the year due to the suspension of Deloitte Grading System. The grading process is on hold in all municipalities that are using the TASK System. A process of Job Catalogue was initiated by SALGA with the intention of completion by June 2025 but it was not finalized by this date. Due to these changes, SBDM plans to have a special consultation session in the 2025/26 with all Corporate Services Directors and HR Managers with the aim of providing a directive in relation to JE in the district	Emails	Yes

EXECUTIVE MAYOR:______________________ Date:__________

Notes: Non-financial support could be training and development in Business Management, Skills Development and Market Development. LED Capacity Building Programme is training of LED officials in the District. Institutional Support is rendered to ensure continued existence of LTOs as an obligation entrusted to the District through National Tourism Sector Strategy. Inception Report is a report that outlines the activities of the project and timelines; it is the first report to be submitted by the service provider.

CHAPTER 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	**2023/2024**	**2024/2025**			
	Employees No	**Approved posts No**	**Employees No**	**Vacancies No**	**Vacancies %**
Water and Sanitation	1	2	1	1	50%
Housing	0	5	2	3	75%
PMU	2	6	2	4	0
Roads and Transport	0	0	0	0	0
Planning	3	3	2	1	0
Local Economic Development	0	2	1	1	50%
Environment Protection (EHS)	13	14	13	1	
Corporate Services	16	19	16	3	15.8
Disaster Management /Fire	8	8	7	1	20
Office of Municipal Manager	12	16	13	3	0
Finance	12	17	13	4	
Infrastructure Services	1	1	1	0	0
Totals	70	81	70	11	**13.98**

Vacancy rate: 2024/2025			
Designations	**Total approved posts**	**Vacancies**	**% Vacancies**
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excl Finance posts)	2	0	50
Other S57 Managers (Finance posts)	0	0	0

Fire fighters	3	0	0
Professionally Qualified & Experienced Specialist/Mid Management TK 14 – 18 (excl Finance posts)	17	3	7.6
Skilled Technical & Academically Qualified /Junior Management TK 9-13 (excl Finance posts)	31	2	6
Skilled Technical & Academically Qualified /Junior Management TK 9-13 (Finance posts)	11	2	18
Total	**64**	8	20.17

COMMENT ON VACANCIES AND TURNOVER:

All Senior Managers positions in the form of the Municipal Manager and Managers [Section 54A and Section 56 Managers] reporting directly to the Accounting Officer are filled. Some vacancies in the Professional level have not been filled and remain a challenge e.g. Senior Manager: Finance position. The organizational structure was last reviewed and approved by Council in 2022/2023 financial year.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Over the course of the year, the SBDM developed and updated several policies. These policies are normally canvassed broadly with employees and Councilors, the Local Labour Forum, Mayoral Committee and finally to Council for approval. It is anticipated that in future all policies will be placed on the Intra-net.

4.2 POLICIES

HR Policies and Plans				
	Name of policy	**Completed**	**Reviewed**	**Date adopted by Council or comment on failure to adopt**
1	Time and Attendance	100%	Not reviewed in the 2023/2024 period Part of policy register for reviewal 2024/2025	Existing policy approved but requirements for renewal needs to follow the approved policy review process.
2	Bereavement and Funeral assistance	90%	Reviewal period is 2025/2026	Existing policy approved but requirements for renewal needs to follow the approved policy review process when it is due for reviewal.
3	Cellphone Policy	0%	2025/2026	Policy reviewal process started and needs to be taken back to LLF for final consideration. Policy must be workshopped to all Councilors.
4	Records Management	100%	2024/2025	This policy was adopted in 2024/2025 Financial Year
5	Employee Wellness	0%	Part of policy register for reviewal 2025/2026	This policy is under review
6	ICT Policies	100%	Approved	August 2024 Council meeting.
7	Disciplinary Code Collective Agreement	100%	Part of policy register for reviewal 2024/2025	June 2025 Council Meeting

8	Employee Termination Policy	95%	Policy to be developed in 2024/2025	June 2025 Council Meeting.
9	Job Evaluation Policy	95%	Part of policy register for reviewal 2024/2025	
10	Employee Code of Conduct	100%	Part of policy register for reviewal 2024/2025	June 2025 Council Meeting
11	Essential Services	100%	National Competence, discussed and finalised at local level and submitted to SALGBC for ratification	Approved by ESS Committee following submission
12	Leave Policy	100%	Approved	To be approved by August 2024 Council meeting
13	Human Resources Plan	90%	2025/2026	Draft to be presented in Council before the end of 2025/2026 Financial Year.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

No incidents of injury on duty during the year under review.

Note Estimated cost still to be finalized.

Number of days and cost of Sick Leave (excl Injuries on duty) Requested information from APPX						
Category	**Total sick leave days**	**Proportion of sick leave w/out medical certification**	**Employees using sick leave**	**Total employees in post**	**Average sick leave per employee**	**Estimated cost**
Professionally qualified and experienced	**124**	**19**	**14**	**14**		To be determined
Semi-skilled and discretionary decision	**389**	**73**	**32**	**32**		To be determined
Senior management	**25**	**3**	**3**	**3**		To be determined

Skilled technical and academically qualified	**674**	**111**	**49**	**49**		To be determined
Top management	**0**	**1**	**0**	**1**		To be determined
Unskilled and defined decision making	**27**	**6**	**1**	**1**		To be determined

Number and period of suspensions				
Nature of misconduct	**Date of suspension**	**Details of disciplinary hearing**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
Abuse of Sick Leave	23 August 2023	Finalised	Resignation of Chairperson and Prosecutor.	30 November 2024.
a) Grossly Offensive Behaviour. b) Bringing the name of the Municipality into disrepute	04 April 2025	Ongoing	Sick leave, and resignation of Chairperson and Prosecutor.	N/A

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE AWARDS

Performance reviews with panels for MM and Sec 57 must still be constituted for 2023/24 to 2024/25 and therefore no awards to beneficiaries are indicated.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

- SBDM has a Skills Development Programme policy which ensures that all employees are trained through an annual approved Workplace Skills Plan.

- Individual profiles are drawn where skills and knowledge gaps are identified on an annual basis against Council broader objectives in order to train employees.

- A budget is set aside annually for training employees in soft skills, full academic qualifications, and work-related training.

- Directors and Managers are sent on training programmes to enable them to obtain competency qualifications as prescribed by National Treasury. There was one Director which was finalizing his Competency Qualification in this financial year.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Programs
Details of Training to be inserted.
FULL QUALIFICATION

WSP24/25		
Name of Learning Intervention (Other)	**Beneficiaries from WSP**	**Category**
Project Management	Charlene Tarin Booysen	Councillor
Project Management	Joerhan Voughan Mey	Councillor
Labour Relations in the workplace	Joerhan Voughan Mey	Councillor
Job Evaluation	Phindile Patrick Faxi	Councillor
ABET (Pathway to Matric)	Elia Robin Jantjies	Councillor
Municipal Financial Management Full and Partial Credits	Duma Maqxwalisa	Senior Management
SAGE – UIF Yearly Updates (Mid Year Webinar)	Gerain David	Professional
SAGE 300 Skills Development	Kuthula Datto	Intern
SAGE 300 People Management	Kuthula Datto	Intern
Project Management	Asanda Mali	Professional
Project Management	Nomakhaya Williams	Professional
Project Management	Kuthula Datto	Professional

Project Management	Natasha Peterson	Professional
Skills Development Facilitator I	Tembukazi Mafongosi	Professional
Emotional Intelligence	Tembukazi Mafongosi	Professional
Computer Skills Advanced Training	Tembukazi Mafongosi	Professional
Conflict Management	Tembukazi Mafongosi	Professional
Bid Committee Training	Khayalethu Fana	Professional
Bid Committee Training	Khanyisile Notshulwana	Professional
Environmental Management	Siyavuya Virginia Gumbi	Professional
Advanced Microsoft office Excel	Olwethu Thompson Zethu Joni Dumisani Catsha Siziphiwe Mbanga	Interns
Advanced Microsoft office Excel	Asanda Mali	Professional
Degree of Law	Themba Mbukushe	Middle Management
Practical Labour Law	Lundi Nqawa	Middle Management
Networks CompTia N+ Certification	Dale Kramer	Skilled
AZ-900: Microsoft Azure Fundamentals	Nikelwa Ngibe	Intern
Certification (CompTIA A+ 220-1001 Certification, CompTIA A+ 220-1002)	Luthando Bongobi	Intern
Advanced Driving	Ronnie Armans	Semi-skilled
Ethics in the workplace	Chrizzel Fillis Nolwayiphi Mzimkulu Ntombizandile Manjezi	Semi-skilled
Emotional Intelligence	Beverley Trollip	Semi-skilled
Assessor Training	Nasmien Khan	Semi-skilled
MS Excel 2010 Intermediate	Pam Cetywayo	Semi-skilled
MS Excel 2010 Intermediate	Ncebazakhe Dingela	semi-skilled
Computer Skills Advanced Training	Tembukazi Mafongosi	Professional

Computer Skills Advanced Training	Zanele Mnyakama	semi-skilled
Conflict Management	Zanele Mnyakama	semi-skilled
Conflict Management	Ncebazakhe Dingela	semi-skilled
Time Management	Beverley Trollip Clarissa Bender	semi-skilled
Facilitation Skills	Nasmien Khan	semi-skilled
SAGE – UIF Yearly Updates (Training not the Webinar)	Pam Cetywayo	semi-skilled
Bachelor of Business Administration	Nkuli Mahlobo	semi-skilled
Postgraduate Diploma: Corporate Governance	Ncebazakhe Dingela	semi-skilled
Advanced Diploma Business Studies (Monitoring and Evaluation)	Lwando Mcako	semi-skilled

NO	QUALIFICATION	TOTAL NO BENEFITED	INSTITUTION	Name of delegate
1	MASTERS IN DISASTER MANAGEMENT	1	UNIVERSOTY OF FREESTATE	Nolubabalo Mtshakazi
2	BACHELOR OF BUSINESS ADMINISTRATION	1	STADIO HIGHER EDUCATION	Nonkululeko Mahlobo
3	POST GRADUATE DIPLOMA IN PUBLIC HEALTH	1	UNIVERSITY OF PRETORIA	Ncumiso Qolo
4	BA DISASTER AND SAFETY MANAGEMENT	1	LYCEUM	Dambile Mbolekwa
5	BA PUBLIC ADMINISTRTRATION	1	MANCOSA	Speaker Nomhle Gaga
6	ADVANCED DIPLOMA IN HEALTH MANAGEMENT	1	CENTRAL UNIVERSITY OF TECHNOLOGY, FREESTATE	Siyavuya Gumbi

SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Financial Competency Development: Progress report						
Description	**A. Total number of officials employed by municipality**	**B. Total number of officials employed by municipal entities**	**Consolidated: Total of A and B**	**Consolidated competency assessments completed A and B**	**Consolidated Total number of officials whose performance agreements comply with Regulation 16 (regulation 14(4)(f)**	**Consolidated total number of officials that meet prescribed competency levels (Reg 14(4)(e4)**
Financial Officials	**6**	**1**	**7**	**7**	**NA**	**6**

Accounting officer	**1**	**0**	**1**	**1**	**1**	**1**
CFO	**1**	**0**	**1**	**1**	**1**	**1**
Senior managers	**2**	**0**	**2**	**1**	**2**	**1**
Other	**6**	**-**	**6**	**5**	**NA**	**5**
Other Finance	**0**	**-**	**0**	**0**	**-**	**-**
Supply Chain Management officials	**3**	**-**	**3**	**3**	**-**	**3**
Heads of SCM Units	**-**	**-**	**-**	**-**	**-**	**-**
SCM senior managers	**-**	**-**	**-**	**-**	**-**	**-**

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

NUMBER OF EMPLOYEES WHO'S SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED - Nil

EMPLOYEES WHOSE SALARY LEVELS ARE PERSONAL TO HOLDER FOLLOWING IMPLEMENTATION OF JOB EVALUATION - 23

EMPLOYEES APPOINTED TO POSTS NOT APPROVED - nil

EMPLOYEE COSTS

The Employee costs for the municipality in the 2022/23 financial year amounted to R64 709 618 which included an amount of R7 197 462 for Councillors Remuneration.

DISCLOSURES OF FINANCIAL INTERESTS

This information is contained in the financial statements. See Note in the Annual Financial Statements (AFS).

CHAPTER 5 – FINANCIAL PERFORMANCE

PLANNING AND BUDGETING

The 2023/24 Medium-Term Revenue and Expenditure Framework (MTREF) was prepared in terms of the approved Integrated Development Plan and Budget process plan approved by Council. The 2023/24 MTREF was approved after stakeholder and community consultation by Council on 24 May 2023.

ACCOUNTING AND REPORTING

The municipality has the necessary financial-related policies approved by Council and these policies are reviewed annually. The implementation of the policies assists in ensuring compliance with the Standards of Generally Recognised Accounting Practices (GRAP).

The annual financial statements are prepared internally in terms of GRAP. None of the GRAP standards which became effective during the financial year were applicable to the municipality. The annual financial statements were reviewed by management and internal audit before submission to the Audit Committee, for final review.

The high standard of accounting and reporting practices by the municipality has attributed to the municipality achieving its 18th consecutive Unqualified Audit Opinion from the Auditor-General.

ASSET AND LIABILITY MANAGEMENT

Assets
The total assets of the municipality amount to R275.6 million with the current assets amounting to R224.3 million and the non-current assets amounting to R51.3 million respectively. The current assets are mainly comprised of short-term investments and cash and cash equivalents and the non-current assets comprising of investment property, property, plant and equipment and heritage assets.

The municipality had an approved budget for capital expenditure of R25.5 million for the financial year. An amount of R6.4 million was spent which equates to 25% of the approved budget.

It is however important to note that the municipality does not have infrastructural assets. All capital assets implemented at the municipality as projects forms part of project expenditure and upon completion of the project, the asset is capitalized in the respective local municipalities' accounting records.

Liabilities

The total liabilities of the municipality amounts to R93.0 million with the current portion amounting to R38.7 million and the long-term portion R54.3 million. The current portion is mainly comprised of payables from exchange transactions and the short-term portion of post-employment medical benefits.

The payables from exchange transactions amount to R31.1 million. Of this amount, R0.5 million relates to the interest on the Municipal Infrastructure Grant and that the municipality is administering on behalf of Makana Local Municipality.

REVENUE AND EXPENDITURE MANAGEMENT

Revenue

The total revenue generated by the municipality for the financial year amounted to R140.4 million with 83% attributable to government grant and subsidies and 14% to interest income.

The above results demonstrate the municipality's over-reliance on government grants and interest generated from cash investments. The limited increases in the government allocations through the Division of Revenue Act impacts negatively on the municipality's revenue base. Also, the use of accumulated surplus to fund the budget reduces the potential interest income generated on cash investments.

The municipality received the following grants in accordance with the Division of Revenue Act:

Unconditional grants

Equitable Share	R 36 883 000
Levy Replacement Grant	R 73 420 000

The above grants were utilized in the operations of the municipality.

Conditional Grants

Finance Management Grant	R 1 000 000
Rural Roads Asset Management Systems Grant	R 2 405 000
Expanded Public Works Grant	R 2 181 000

Regular reports on spending were submitted to the relevant government departments as well as National Treasury.

Expenditure

The actual expenditure incurred amounts to R153.4 million for the financial year, which resulted in a deficit of R12.9 million for the 2023/24 financial year.

Employee costs including councilors remuneration represents 44% of the total expenditure incurred.

SUPPLY CHAIN MANAGEMENT

The municipality has an approved Supply Chain Management Policy, which is being implemented effectively by the Supply Chain Management unit and officials. The internal control environment is strong and is improving continuously.

The irregular expenditure amounted to R11.7 million for the year which has increased from the prior year. The irregular expenditure is as a result of non-compliance with supply chain management regulations.

The municipality will be monitoring the current controls in place to ensure that incidents of non-compliance are reduced and prevented.

OTHER FINANCIAL MANAGEMENT

	Indicator name	Target set for the year R / %	Achievement level during the year R / %	Achievement percentage during the year %
1	Percentage of expenditure on capital budget	R 25.5 mil	R6.4 mil	25%
2	Salary budget as a percentage of the total operational budget	R299.3 mil	R76.3mil	25%
3	Total municipal own revenue as a percentage of the total actual budget	R88.4 mil	R2.2 mil	2.4%
4	Percentage of FMG budget appropriately spent	R 1.0 mil	R1.0 mil	100%
5	Total actual trade creditors as a percentage of total actual revenue	22%		
6	Rate of municipal consumer debt reduction	There are no municipal consumer debtors as the municipality does not have consumers. Its primary debtors are Organs of State.		
7	Percentage of MIG budget appropriately spent	The municipality does not receive its own MIG allocation.		
8	Arrears in property rates and service charges	The municipality does not levy property rates or service charges		

FINANCIAL INDICATORS			
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
BUDGET MANAGEMENT			
1.1	Percentage over-spending of the final approved operating expenditure budget	**Not over-spent**	**Not over-spent**
1.2	Percentage under-spending of the final approved capital budget	**75%**	**78%**
GRANT MANAGEMENT			
2.1	Percentage under-spending of conditional grants received	**Not under-spent**	**Not under-spent**
EXPENDITURE MANAGEMENT			

FINANCIAL INDICATORS			
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2024	AS AT 30 JUNE 2023
3.1	Creditor-payment period	**16 Days**	**52 Days**
REVENUE MANAGEMENT			
4.1	Debtor-collection period (before impairment)	**No service debtors**	**No service debtors**
4.2	Debtor-collection period (after impairment)	**No service debtors**	**No service debtors**
4.3	Debtors impairment provision as a percentage of accounts receivable	**29%**	**59%**
ASSET AND LIABILITY MANAGEMENT			
5.1	A deficit for the year was realised (total expenditure exceeded total revenue)	**Yes**	**Yes**
5.2	A net current liability position was realised (total current liabilities exceeded total current assets)	**No**	**No**
5.3	A net liability position was realised (total liabilities exceeded total assets)	**No**	**No**
5.4	Percentage of PPE and/or intangible assets impaired	**0.2%**	**0.3%**
5.5	Percentage of loan receivables (loans awarded) and/or investments impaired	**0%**	**0%**
CASH MANAGEMENT			
6.1	The year-end bank balance was in overdraft	**No**	**No**
6.2	Net cash flows for the year from operating activities were negative	**No**	**No**
6.3	Cash and cash equivalents as a percentage of operating expenditure	**66%**	**38%**
6.4	Creditors as a percentage of cash and cash equivalents	**30%**	**39%**
6.5	Percentage by which unspent conditional grants received exceeds cash available at year-end	**Not exceeded**	**Not exceeded**
6.6	Current liabilities as a percentage of net cash inflows for the year from operating activities	**7.60**	**6.70**
6.7	Long-term debt as a percentage of net cash inflows for the year from operating activities	**n/a**	**n/a**
6.8	Employee benefit obligation as a percentage of net cash inflows for the year from operating activities	**6.30**	**8.14**

OVERSIGHT AND OPERATIONAL CONTINUITY

The municipality prepares the required reports in terms of the Municipal Finance Management Act which include amongst other, the section 71 monthly report, section 52 quarterly report, section 72 mid-year report and the quarterly supply chain management report. The reports are submitted to Treasury, Sector Departments and the Auditor-General (where applicable).

The above reports include all relevant information such as budget versus actual performance, reasons for variances, etc. These reports are submitted to the Audit Committee, Municipal Public Accounts Committee, Mayoral Committee and Council for monitoring and oversight.

CHAPTER 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A

6.1. AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2023/2024

Report of the auditor-general to the Eastern Cape Legislature and Council on the Sarah Baartman District Municipality

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the Sarah Baartman District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Sarah Baartman District Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure note

7. In terms of section 125(2) (e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

8. The supplementary information set out on pages ... to ... does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

10. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

14. I selected the following material performance indicators related to basic service delivery and infrastructure development, presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Monitoring compliance with water quality monitoring requirements at Addo Water Treatment Works, Kirkwood Water Treatment Works and Enon-Bersheba Water Treatment
    - Upgrade of M Street and Albert 4.1 km in Makhanda and Rehabilitation of Ring Rd in Riebeeck East 1,2 km –
    - Pothole patching in various areas in Makana
    - Clearing of illegal dumping sites, provision of communal refuse bins and conducting community clean-up awareness programmes in Paterson, Sundays River Municipality, including recruitment of 15 community workers –
    - Training of fire services personnel for local municipalities through a service provider

15. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

16. I performed procedures to test whether:

    - All the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objective included
    - the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner

- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets/measures taken to improve performance.

17. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

18. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets explanations for over- or under achievements.

21. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages xx to xx.

Development Priority: Basic Service Delivery and Infrastructure

Targets achieved: 63%

Budget spent: 30%

Key indicator not achieved	Planned target	Reported achievement
Development of Stormwater Master Plans for 5 municipal areas(towns) in Local Municipalities (Blue Crane, Makana,Ndalmbe, Kouga, Sundays River Valley and Koukamma), Development of Stormwater Management By-law for All Local Municipalities	Development of Stormwater Master Plans for 5 municipal areas(towns) in Local Municipalities (Blue Crane, Makana, Kouga, Sundays River Valley and	Development of Draft Stormwater Master Plans for 5 municipal areas(towns) in Local Municipalities (Blue Crane, Makana, Kouga,

	Koukamma), Development of draft Stormwater Management By-laws for 5 Local Municipalities	Sundays River Valley and Koukamma) completed
Upgrading of M Street and Albert 4.1km in Makhanda and Van Beeren (Ring Rd) in Riebeeck East 1,2km	Upgrading of M Street and Albert Street 4.1km in Makhanda and Upgrading of Van Beeren St (Ring Rd) in Riebeeck East 1,2km	Upgrading of M Street and Albert Street 4.1km in Makhanda contractor appointment was delayed and site handover was only done in May 2024, project is still on site establishment phase and ripping of existing tar road. Upgrading of Van Beeren St(Ring Rd) in Riebeeck East 1,2km is on practical completion stage

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

25. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

26. Reasonable steps were not taken to prevent irregular expenditure amounting to R11, 8 million as disclosed in note 36 to the annual financial statements, as required by section 62(1) (d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management regulations.

Procurement and contract management

27. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1) (a) and (c).

28. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

Other information in the annual report

29. The accounting officer is responsible for the other information included in the annual. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in development priority presented in the annual performance report that have been specifically reported on in this auditor's report.

30. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

34. The matters reported below is limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.

35. Leadership developed a plan to address internal and external audit findings, but the appropriate level of management did not monitor adherence to the plan in a timely manner. This is evidenced by a repeat finding in material compliance with legislation.

36. Leadership did not effectively fulfil its oversight responsibilities on the implementation and monitoring of internal controls and compliance with laws and regulations.

East London

10 December 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality's to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality's to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a),56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1),96(b) Parent municipality with ME: Sections: 93B(a), 93B(b) Parent municipality with shared control of ME: Section: 93C(a)(iv), 93C(a)(v)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(5)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)

MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

COMPONENT B

6.2. AUDITOR-GENERAL OPINION OF SARAH BAARTMAN SEPARATE FINANCIAL STATEMENTS 2024/25

Report of the auditor-general to the Eastern Cape Legislature and Council on the Sarah Baartman District Municipality

Report on the audit of the separate financial statements

Opinion

37. I have audited the separate financial statements of the Sarah Baartman District Municipality set out on pages xx to xx, which comprise the separate statements of financial position as at 30 June 2025, separate statement of financial performance, separate statement of changes in net assets, separate cash flow statement and statement of comparison of actual and budget amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

38. In my opinion, the separate financial statements present fairly, in all material respects, the financial position of the Sarah Baartman District Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

39. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

40. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

41. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

42. I draw attention to the matter below. My opinion is not modified in respect of this matter.

43. As disclosed in note 33 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of reclassification of accounts and correction of prior period errors in the financial statements of the district municipality at, and for the year ended, 30 June 2025.

Other matter

44. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

45. In terms of section 125(2) (e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the separate financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

46. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

47. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

48. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

49. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

50. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance

information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

51. I selected the following material performance indicators related to basic service delivery and infrastructure development presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality 's performance on its primary mandated functions and that are of significant national, community or public interest.

    - 100% Rehabilitation of 4.2 kms of M Street, Albert Street and Ncame Street in Makana Local Municipality.
    - Training of 7 Fire Services Personnel for all 7 Local Municipalities through a Service Provider.
    - Provision of 1180 Interim Water and Sanitation Services for Informal Settlements in Blue Crane Route, Koukamma and Gravelling/paving 8.8km access roads Makana and Sundays River Local Municipalities.
    - Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jansenville, Dr Beyers Naude Local Municipality including Recruitment of 32 Community Workers.
    - Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jeffreys Bay, Kouga Local Municipality including Recruitment of 32 Community Workers.
    - Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Koukamma Local Municipality including Recruitment of 25 Community Workers.

52. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

53. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included

- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner

- there is adequate supporting evidence for the achievements reported and measures taken to improve performance.

54. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

55. I did not identify any material findings on the reported performance information for the indicators as selected.

Other matters

56. I draw attention to the matter below.

Achievement of planned targets

57. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

58. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Development Priority: Basic Service Delivery and Infrastructure

Targets achieved: 83% *Budget spent 104%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
100% Rehabilitation of 4.2 kms of M Street, Albert Street and Ncame Street in Makana Local Municipality	100% Rehabilitation of 4.2 kms of M Street, Albert Street and Ncame Street in Makana Local Municipality completed	41% Rehabilitation of 4.2 kms of M Street, Albert Street and Ncame Street in Makana Local Municipality completed.
Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jansenville, Dr Beyers Naude Local Municipality including Recruitment of 32 Community Workers	Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jansenville, Dr Beyers Naude Local Municipality including Recruitment of 32 Community Workers completed	19 EPWP workers were recruited. Refuse bins and Awareness programmes were not done due to budget constraints that emanated from the inclusion of an additional project from the EPWP budget.
Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jeffreys Bay, Kouga Local Municipality including Recruitment of 32 Community Workers	Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jeffreys Bay, Kouga Local Municipality including Recruitment of 32 Community Workers completed	40 EPWP participants were recruited in Kouga LM to clear illegal damping in Jeffrey's Bay and the project was completed in December 2024. The 32 Community workers was increased to 40 due to the Ward Cllr requested that more workers be appointed due to high unemployment rate in the area. The refuse bins were not provided due to non-availability of budget. Refuse bins and Awareness programmes were not done due to budget constraints that emanating from the inclusion of an additional project from the EPWP budget.
Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Koukamma Local Municipality including Recruitment of 25 Community Workers	Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Koukamma Local Municipality including	25 EPWP participants were recruited in Koukamma LM to clear illegal dumping in Misgund and Krakeel and the project was completed in December 2024. The refuse bins were not provided due

Targets achieved: 83% *Budget spent 104%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
	Recruitment of 25 Community Workers completed	to non-availability of budget. Refuse bins and Awareness programmes were not done due to budget constraints that emanating from the inclusion of an additional project from the EPWP budget.
Training of 7 Fire Services Personnel for all 7 Local Municipalities through a Service Provider	Training of 7 Fire Services Personnel Completed (from all 7 Local Municipalities)	6 firefighting personnel from all the Local Municipalities, except one who withdrew from Sundays River Valley LM, were trained and the project was completed

Report on compliance with legislation

59. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

60. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

61. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

62. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

63. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected

material indicators in the scoped-in development priority presented in the annual performance report that have been specifically reported on in this auditor's report[i].

64. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

65. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

66. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

67. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

68. I did not identify any significant deficiencies in internal control.

East London

28 November 2025

AUDITOR - GENERAL

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor’s report

The annexure includes the following:

- The auditor-general’s responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general’s responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality’s compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the separate financial statements as described in this auditor’s report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

#	Selected legislation and regulations	Consolidated firm level requirements
1	Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), 32(7),33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)a, 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
2	MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
3	MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
4	MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
5	MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
6	Construction Industry Development Board Act 38 of 2000	Section: 18(1)
7	Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
8	Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
9	Municipal Property Rates Act 6 of 2004	Section: 3(1)

#	Selected legislation and regulations	Consolidated firm level requirements
10	Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) **Parent municipality with ME:** Sections: 93B(a), 93B(b) **Parent municipality with shared control of ME:** Sections: 93C(a)(iv), 93C(a)(v)
11	MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
12	MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
13	MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
14	MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
15	MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
16	MSA: Municipal Systems Regulations, 2001	Regulation: 43
17	Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
18	Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
19	Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
20	Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

COMPONENT C

6.2. AUDITOR-GENERAL OPINION OF CONSOLIDATED FINANCIAL STATEMENTS 2024/25

Report of the auditor-general to the Eastern Cape Legislature and Council on the Sarah Baartman District Municipality

Opinion

69. I have audited the consolidated financial statements of the Sarah Baartman District Municipality set out on pages xx to xx, which comprise the consolidated statement of financial position as at 30 June 2025, consolidated statement of financial performance, consolidated statement of changes in net assets, consolidated cash flow statement and the statement of comparison of actual and budget amounts for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.

70. In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Sarah Baartman District Municipality and its subsidiary as at 30 June 2025 and its consolidated financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

71. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the consolidated financial statements section of my report.

72. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

73. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

74. I draw attention to the matter below. My opinion is not modified in respect of this matter.

75. As disclosed in note 34 to the consolidated financial statements, the corresponding figures for 30 June 2024 were restated as a result of reclassification of accounts and correction of prior period errors in the consolidated financial statements at, and for the year ended, 30 June 2025.

Other matter

76. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

77. In terms of section 125(2) (e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the consolidated financial statements. This disclosure requirement did not form part of the audit of the consolidated financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the consolidated financial statements

78. The accounting officer is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the GRAP and the requirements of the MFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

79. In preparing the consolidated financial statements, the accounting officer is responsible for assessing the group's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the consolidated financial statements

80. My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

81. A further description of my responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report. This description, which is located at page xx forms part of my auditor's report.

Report on the annual performance report

82. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

83. I selected the following material performance indicators related to basic service delivery and infrastructure development presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality ’s performance on its primary mandated functions and that are of significant national, community or public interest.

    - 100% rehabilitation of 4.2 kms of M street, albert street and ncame street in Makana Local Municipality.
    - Training of seven (7) fire services personnel for all seven (7) local municipalities through a service provider.
    - Provision of 1180 interim water and sanitation services for informal settlements in Blue Crane Route, Koukamma and gravelling/paving 8.8km access roads Makana and Sundays River Local municipalities.
    - Clearing of illegal dumping sites, provision of communal refuse bins and conducting community clean-up awareness programmes in Jansenville, Dr Beyers Naude Local Municipality including recruitment of 32 community workers.
    - Clearing of illegal dumping sites, provision of communal refuse bins and conducting community clean-up awareness programmes in Jeffreys Bay, Kouga Local Municipality including recruitment of 32 community workers.
    - Clearing of illegal dumping sites, provision of communal refuse bins and conducting community clean-up awareness programmes in Koukamma Local Municipality including recruitment of 25 community workers.

84. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality’s planning and delivery on its mandate and objectives.

85. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality’s mandate and the achievement of its planned objectives.

- all the indicators relevant for measuring the municipality’s performance against its primary mandated and prioritised functions and planned objectives are included.

- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.

- the reported performance information is presented in the annual performance report in the prescribed manner.

- there is adequate supporting evidence for the achievements reported and measures taken to improve performance.

86. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

87. I did not identify any material findings on the reported performance information for the indicators as selected.

Other matters

88. I draw attention to the matter below.

Achievement of planned targets

89. The annual performance report includes information on reported achievements against planned targets and provides and provides measures taken to improve performance.

90. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Development Priority: Basic Service Delivery and Infrastructure

Targets achieved: 83% *Budget spent 104%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
100% Rehabilitation of 4.2 kms of M Street, Albert Street and Ncame Street in Makana Local Municipality	100% Rehabilitation of 4.2 kms of M Street, Albert Street and Ncame Street in Makana Local Municipality completed	41% Rehabilitation of 4.2 kms of M Street, Albert Street and Ncame Street in Makana Local Municipality completed.
Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jansenville, Dr Beyers Naude Local Municipality including Recruitment of 32 Community Workers	Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jansenville, Dr Beyers Naude Local Municipality including Recruitment of 32 Community Workers completed	19 EPWP workers were recruited. Refuse bins and Awareness programmes were not done due to budget constraints that emanated from the inclusion of an additional project from the EPWP budget.
Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jeffreys Bay, Kouga Local Municipality including Recruitment of 32 Community Workers	Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Jeffreys Bay, Kouga Local Municipality including Recruitment of 32 Community Workers completed	40 EPWP participants were recruited in Kouga LM to clear illegal damping in Jeffrey's Bay and the project was completed in December 2024. The 32 Community workers was increased to 40 due to the Ward Cllr requested that more workers be appointed due to high unemployment rate in the area. The refuse bins were not provided due to non-availability of budget. Refuse bins and Awareness programmes were not done due to budget constraints that emanating from the inclusion of an additional project from the EPWP budget.
Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Koukamma Local Municipality including Recruitment of 25 Community Workers	Clearing of Illegal Dumping Sites, Provision of Communal refuse bins and Conducting Community Clean-up Awareness Programmes in Koukamma Local Municipality including Recruitment of 25	25 EPWP participants were recruited in Koukamma LM to clear illegal dumping in Misgund and Krakeel and the project was completed in December 2024. The refuse bins were not provided due to non-availability of budget.

Targets achieved: 83% *Budget spent 104%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
	Community Workers completed	Refuse bins and Awareness programmes were not done due to budget constraints that emanating from the inclusion of an additional project from the EPWP budget.
Training of 7 Fire Services Personnel for all 7 Local Municipalities through a Service Provider	Training of 7 Fire Services Personnel Completed (from all 7 Local Municipalities)	6 firefighting personnel from all the Local Municipalities, except one who withdrew from Sundays River Valley LM, were trained and the project was completed

Report on compliance with legislation

91. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

92. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

93. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

94. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

95. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the consolidated financial statements, the auditor's report and those selected material indicators in the scoped-in development priority presented in the annual performance report that have been specifically reported on in this auditor's report.

96. My opinion on the consolidated financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

97. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements and the selected material indicators in the scoped-in development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

98. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

99. I considered internal control relevant to my audit of the consolidated financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

100. I did not identify any significant deficiencies in internal control.

East London

10 December 2025

AUDITOR - GENERAL

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor’s report

The annexure includes the following:

- The auditor-general’s responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general’s responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality’s compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the consolidated financial statements as described in this auditor’s report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance.

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements.

The selected legislative requirements are as follows:

#	Selected legislation and regulations	Consolidated firm level requirements
1	Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), 32(7),33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)a, 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
2	MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
3	MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
4	MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
5	MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
6	Construction Industry Development Board Act 38 of 2000	Section: 18(1)
7	Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
8	Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
9	Municipal Property Rates Act 6 of 2004	Section: 3(1)

#	Selected legislation and regulations	Consolidated firm level requirements
10	Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) **Parent municipality with ME:** Sections: 93B(a), 93B(b) **Parent municipality with shared control of ME:** Sections: 93C(a)(iv), 93C(a)(v)
11	MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
12	MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
13	MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
14	MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
15	MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
16	MSA: Municipal Systems Regulations, 2001	Regulation: 43
17	Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
18	Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
19	Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
20	Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

6.3 RESPONSE TO THE AUDIT REPORT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

In accordance with the Public Audit Act, Council has to consider the Audit Report within one month after the audit report has been submitted by the Auditor General.

Council has received an unqualified with no material findings(Clean Audit) audit report and the Auditor-General has certified that the Consolidated and Separated Financial Statements present fairly, in all material respects, the financial position of the Sarah Baartman District Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

1. <u>REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT</u>

The Auditor-General evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2024:

Development priority 1 – Basic service delivery and infrastructure

The Auditor-General performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. The Auditor-General performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The Auditor-General did not identify any material findings on the usefulness and reliability of the reported performance information for basic service delivery and infrastructure development.

2. <u>REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION</u>

The Auditor-General has a responsibility to report material findings on the compliance of the municipality on specific matters in key legislation.

There were no material findings identified by AGSA.

3. <u>INTERNAL CONTROL</u>

Auditor general considered Internal controls relevant to audit of Annual financial statements, annual performance report and compliance with applicable legislation. There were no significant deficiencies on internal controls.

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

NOTE: This list incorporated Councillors who served after the **Local Government Elections** that took place on **01 November 2021,** and they took oath/affirmation on **25 November 2021**

1 July 2024 to 30 June 2025 Financial Year

Councillors, Committees allocated and Council Attendance					
Council members	**Full-time/Part-time FT/PT**	**Committees allocated**	**Local Municipality/ Party represented**	**% Council Meetings attended**	**% apologies for non-attendance**
Sonkwala, P	PT	MPAC	Blue Crane Route	100%	N/A
Bezuidenhout, DJ	PT	-	Dr Beyers Naudé	33%	67%
Galada, X	PT	-	Dr Beyers Naudé	78%	22%
Van Heerden, A	PT	MPAC	Dr Beyers Naudé	100%	N/A
Foley, R	PT	-	Kouga	89%	11%
Heystek, AS	PT	-	Kouga	100%	N/A
Gunuza-Batyi, VP (Ms)	PT	MPAC Women's Caucus Remuneration Committee	Kouga	78%	22%
Valgee, M (Ms)	PT	MPAC Women's Caucus	Kouga	100%	N/A
Krige, R	PT	Women's Caucus	Koukamma	56%	44%
Sikiwe, N (Ms)	PT	MPAC Women's Caucus	Koukamma	100%	N/A
Booysen, M	PT	MPAC	Makana	78%	22%
Cetu, Z (Ms)	PT	Women's Caucus	Makana	89%	11%
Madyo, XG	PT	-	Makana	100%	N/A
Khungwayo, P	PT	MPAC	Ndlambe	89%	11%
Runeli, X	PT	MPAC	Ndlambe	89%	11%
Venene, S	PT	-	Ndlambe	78%	22%
Langbooi, N (Ms)	PT	MPAC Women's Caucus	Sunday's River Valley	100%	N/A

Smith, K (Ms)	PT	DWIF Women's Caucus	Sunday's River Valley	89%	11%
Councillors, Committees allocated and Caucil Attendance					
Council members	**Full-time/Part-time FT/PT**	**Committees allocated**	**Local Municipality/ Party represented**	**% Meetings attended**	**% apologies for non-attendance**
Gaga, NS (Ms)	FT	Rules Committee Women's Caucus	ANC	100%	N/A
De Vos, DWS	FT	Mayoral Committee Rules Committee Mayors Forum	ANC	100%	N/A
Booysen, CT (Ms)	FT	Mayoral Committee Women's Caucus ICT Steering Committee IDP-Budget Steering Committee Remuneration Committee	ANC	100%	N/A
Faxi, PP	FT	Mayoral Committee DWIF	ANC	100%	N/A
Diniso, AW	FT	Mayoral Committee	ANC	100%	N/A
Rune, S	FT	Mayoral Committee	ANC	78%	22%
Purdon, RK	PT	Remuneration Committee DWIF	DA	78%	22%
Hendricks, A (Ms)	PT	DWIF Women's Caucus	DA	100%	N/A
Gailey, RMJ	PT	DWIF	DA	100%	N/A
Jantjies, ER	PT	DWIF MPAC	DA	89%	11%
Mey, JV	PT	DWIF MPAC	DA	100%	N/A
Koba, NM (Ms)	PT	MPAC Women's Caucus Remuneration Committee	EFF	67%	33%

Some Councillors also serve on various forums and sub-committees established by the Council for specific purposes. Details of these committees and forums are in the table above.

NOTE: The District Municipality has only a Mayoral Committee. There are no Portfolio Committees. Councillors of the District Municipality serve on District Intergovernmental Forums, which include DWIF, District Aids Council, District Health Council, etc. These forums meet quarterly and make recommendations to the Mayoral Committee.

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral Committee) and Purposes of Committees	
Municipal Committees	**Purpose of committee**
Municipal Public Accounts Committee	Oversight over Executive function
Audit and Risk Committee	Oversight of financial reporting and disclosure, review of the work of Internal Audit, the Risk Management System and Performance Management System
District Health Council	Oversees all matters pertaining to Primary Health Care and related health functions in the District, eg EMS
Local Labour Forum	Consultation between the employer and employee bodies on all labour relations and HR issues
District Aids Council	Programmes and policies that pertain to combatting the scourge of HIV and Aids
District Wide Infrastructure Forum	Intergovernmental Forum which deals with integrated infrastructure development in the District
Budget Steering Committee	Assists the Executive Mayor to perform his/her responsibility in terms of section 53 of the MFMA with regard to budget processes and related matters
Training Committee	Training and development of employees
Remuneration Committee	Advise Council on remuneration matters that affect section 54A and 56 managers
Anti-corruption and Fraud Prevention Committee	Develop and review policies and strategies to improve internal control to prevent undesirable practise and to mitigate risks to the institution
Relocation Committee	Relocation of the District Head Office to Addo
Rules Committee	Review the Rules and Orders of Council

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Manager (State title and name)**
Office of the Municipal Manager	Manager: Office of the Municipal Manager - Vacant
	Manager: PMS - G Terblanche
	Senior Manager: Legal Services - F Anthony
Finance and Corporate Services	Senior Manager: Corporate Services – L. Nqawa
	Senior Manager: Finance – Vacant
Economic Development and Planning	Project Manager: LED – N. Adams
	Project Manager: Tourism and Marketing – P Tanga
	Manager: Development Planning - M Maqokolo
	Development Planner - Vacant
Infrastructure Development and Community Services	Manager: Water and Sanitation – N. Magoloza
	Senior Manager: PMU – S. Nondlanzi
	Senior Manager: Disaster Management – K Majokweni
	Manager: Environmental Health Services - T. Mokoena
	Manager: Disaster Operations – N. Matshakazi

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function applicable to municipality (Yes / No)**	**Function applicable to entity (Yes / No)**
Constitution Schedule 4 Part B functions		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater management systems in built-up areas	No	No
Trading regulations	No	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	No	No
Cemeteries, funeral parlours and crematoria	No	No
Cleansing	No	No
Control of public nuisances	No	No
Control of undertakings that sell liquor to the public	No	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	No	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No but carries out Health Inspections as part of the EHS function	No
Local amenities	No	No
Local sport facilities	No	No
Markets	No	No
Municipal abattoirs	No	No
Municipal parks and recreation	No	No
Municipal roads	No	No
Noise pollution	Yes – Function of Municipal Health	No

Pounds	No	No

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function applicable to municipality (Yes / No)**	**Function applicable to entity (Yes / No)**
Constitution Schedule 4 Part B functions		
Public places	No	No
Refuse removal, refuse dumps and solid waste disposal	No	No
Street Trading	Health & Hygiene education EHS function	No
Street lighting	No	No
Traffic and parking	No	No

APPENDIX E – WARD REPORTING

Not applicable

APPENDIX F – WARD INFORMATION

Not applicable

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND RISK COMMITTEE 2024/2025 AND REPORT BY THE AUDIT AND RISK COMMITTEE

Meeting date	Item Number	Resolution	Status
15 August 2024	8.1	**Annual Performance Report** (a) that a detailed report be submitted to the Audit and Risk Committee on the Project: Support to Improve Audit Outcomes and Financial Sustainability of the Seven LMs in the District, such report to include information regarding which LMs participated in the project and whether a difference could be seen in the audit outcomes of participating LMs. (b) that it be recommended to the Council as follows: • that based on the Audit and Risk Committee's observation that the output of the CDDA is negligible, a review of the entity and the entity's objectives deliverables should be considered. • that the SLA entered into with the CDDA should be redrafted and reviewed on a 3-year basis and should include specific projects for	Implemented Implemented

		the entity to undertake with performance targets attached.	
22 August 2024	8	**AUDITOR-GENERAL (AG) UPDATE** that members of the Audit and Risk Committee participate in the discussions between the AG and Management when the Audit Strategy is presented to them.	 Implemented
	9.2	**Audit of Expenditure Management Report** (a) that the rating on Finding 2 - Control Deficiency on the Processing of Invoices on page 11 of the report be changed from Critical to Major. (b) that the findings be included in the Findings Tracker indicating target dates and responsible officials. (c) that IA follow up on the controls that were being implemented to prevent duplicate invoice payments to assess the effectiveness thereof.	 Implemented Implemented Implemented
	9.3	**Final IA Report: ICT** that it be noted that IA was recommending that a root cause analysis be carried out in terms of IT Governance to understand where the challenges were, in order that a costed strategy can be developed to deal with the shortcomings in its IT governance environment.	 Outstanding
	9.4	**Final IA Report: Leave Management** (a) that based on the error findings in regard to the leave records, the Director: Finance and Corporate Services in conjunction with IA look into the matter relating to the accuracy of the leave provision which was stated in the AFS and make the necessary corrections. (b) that IA carry out another investigation in the financial year 2024/2025 to identify whether the same mistakes were still	 Implemented Implemented

		being made in respect of the recording of leave taken to ascertain whether or not the identified weaknesses were being addressed. (c) that Management indicate what remedial action was going to be taken and who was responsible for the errors identified by IA.	Outstanding
	9.7	**Progress Report on the IA Plan** that the responsibility for investigating cases of irregular expenditure be delegated to IA as it would be an independent investigation.	Outstanding
	9.8	**Draft Three-Year Rolling Plan for the Financial Years 2024/25, 2025/26 & 2026/27 and Draft Annual Internal Audit Plan for the 2024/25 Financial Year** (a) that IA double-check that what was contained in the Annual Plan for 2024/2025 tied up with what was contained in the 3-year Plan. (b) that the 3-year Plan be approved subject to a review based on the Risk Assessment Review.	Implemented In Progress
	10.1.6	**Cacadu Development Agency** that it be ascertained at what stage the performance bonus referred to on page 85 of the report was paid out and that the ARC be advised accordingly.	Outstanding
	10.2.2	**Deviations Register** that the Audit and Risk Committee be provided with information regarding the difference in price between the bids submitted by Man of Time and Imibhucwu Investment Group for the desludging of pit toilets in Riebeeck East.	Outstanding
26 November 2024	7	**REPORT OF THE MUNICIPAL MANAGER FOR THE FIRST QUARTER** that the Municipal Manager submit a formal written report covering quarters one and two	In Progress

		of the current financial year to members of the Committee by 06 December 2024.	
	10.1.5	**<u>Calculation of Uniform Financial Ratios and Norms</u>** that the Director: Finance and Corporate Services provide the ARC with a comparison of the current ratios in respect of lagging performance indicated in items 2 and 3 on page 86 with the ratios for the prior year.	Implemented
	10.1.6	**<u>Cacadu District Development Agency (CDDA)</u>** that the SLA and future of the CDDA be included as an outstanding item on the Action Sheet until such time as the matter was resolved.	Outstanding
	10.4	**<u>Financial Sustainability Model</u>** that the Municipal Manager include information regarding the process being followed in terms of the Financial Recovery Plan in her quarterly report to be submitted to ARC members by 06 December 2024.	Outstanding
	12	**<u>RISK MANAGEMENT AND COMPLIANCE</u>** (a) that the Audit Charter and the Risk Management Charter be aligned to avoid duplication. (b) that the Risk Management Framework of National Treasury should be used to ensure alignment between the documents. (c) that a date be determined annually before commencement of the Budget process to review of the policy so that mitigating strategies for any risks could be built into the Budget. (d) that risk management targets be included in the performance agreements of Senior Management.	Implemented Implemented Outstanding Implemented In Progress

		(e) that a report providing more clarity on the roles and responsibilities of the various structures in the implementation of risk management be submitted to the next quarterly meeting of the ARC.	
06 February 2025	5	<u>**Confirmation of Agenda**</u> (a) that the full content and numbering of the workplan be included in the agenda in future, and that the following be indicated against each item: • where reports are not due in the specific quarter they be reflected as NOT DUE. • Where reports are due and are not included on the agenda they be reflected as not available and a reason provided. (b) that in order to ensure that ARC minutes are included in the Council agenda in good time, the requirement that only confirmed minutes of ARC meetings be submitted to Council be waived, and that instead the minutes be circulated to members after meetings for review, and once accepted by members, the minutes be included in the Council agenda and confirmed at the next quarterly meeting of the ARC. (c) that the Administration consider including a slot in the Council agenda entitled Quarterly Report by the Chairperson of the ARC when the minutes of the ARC are presented to Council. (d) that the Annual Financial Statements review process be reviewed to improve the quality of the AFS and Performance Reports.	Implemented Implemented Implemented Implemented

	10.1.2	**<u>Expenditure on Conditional Grant funding and other Grants</u>** that a Standard Operating Procedure (SOP) documenting in detail how all the accounting processes in respect of the major infrastructure projects being undertaken by the SBDM in local municipalities as agent for Provincial Departments be drawn up and submitted to the ARC as a point of reference for monitoring purposes.	 Implemented
	10.4	**<u>Financial Sustainability Model</u>** that Management provides the Audit and Risk Committee with urgent feedback on whether there were any developments or improvements and any time frames set to address the issue of financial sustainability.	 Implemented
	12.1	**<u>Risk Management Committee Feedback/Progress Report</u>** (a) that members of the Audit and Risk Committee be provided with a copy of the Change Management Plan. (b) that it be recommended to Management that the Risk Register be sent monthly to Departments to provide updates on performance, and that electronic calendar reminders be set for one week before their responses were due.	 Outstanding In Progress
12 June 2025	9.4.1	**<u>Draft Internal Audit Report on Information and Communication Technology General Controls (TGCs) and Application Controls</u>** (a) that ICT roles be filled in, including the ICT Manager position.	 In Progress In Progress

		(b) that the Risk Register be improved to include all relevant risks, and by adding dates. (c) that adequate disaster recovery testing be conducted. (d) that an annual IT Strategy Plan be reviewed and provide close oversight of the planned projects. (e) that a comprehensive Action Plan is developed to address the findings from this IT Audit report and track progress on prior audit recommendations.	Implemented In Progress In Progress
	9.4.2	**<u>Final Internal Audit Report on the Audit and Performance Information: Q2 2024/25 and Mid-Term Adjusted SDBIP</u>** that all findings raised by the Internal Audit be resolved before the submission of final performance management reports to the Auditor General.	Implemented
	9.4.3	**<u>Final Internal Audit Report on the Audit and Supply Chain and Expenditure Management for the 2024/25 Financial Year</u>** (a) that a design checklist be aligned with the approved Supply Chain Management (SCM). (b) that the UIFWE strategy be shared with local municipalities to support consistent implementation of procurement protocols and enhance audit outcomes. (c) that the Service Provider who was initially identified for appointment under the cancelled bid, be formally notified, informing them of the decision and providing a brief explanation where appropriate.	In Progress In Progress In Progress

	9.4.4	**<u>Final Internal Audit Report on the Human Resources and Payroll for the 2024/25 Financial Year</u>** (a) that the Audit and Risk Committee draft a plan of action indicating tasks, person responsible, target dates, and remarks to address the findings. (b) that a plan of action to address the findings on leave management be developed and provide quarterly updates to the Audit and Risk Committee. (c) that the issues related to the use of a biometric system for monitoring staff attendance be investigated, and to address any internal control gaps.	 In Progress In Progress Implemented
	9.4.5	**<u>Final Internal Audit Report on the Follow-up Review Q3 2024/25 Financial Year</u>** (a) that the Internal Audit Charter be circulated to the committee members for review and approval on a round-robin basis, so that the Audit and Risk Committee will approve it before the end of 30 June 2025. (b) that engagements with Provincial Treasury be made to assist in the review of the draft Asset Management Policy. (c) that the committee must provide confidence that all outstanding audit findings will be addressed before the end of 30 June 2025.	 Implemented In Progress Implemented
	9.4.6	**<u>Audit and Risk Committee on the Implementation of the 2024/25 Internal Audit Plan</u>** (a) that the Internal Audit Plan for 2025/2026 be finalized and approved before the next Audit and Risk Committee meeting.	 Implemented

		(b) that risk assessment for 2025/26 in July 2025 or in August 2025 must be conducted. (c) that the committee will need to schedule a Special Audit and Risk Committee meeting to approve the internal Audit Plan, Charter, and other outstanding items before the end of the then-current financial year.	In Progress Implemented
27 June 2025	9.3	**Internal Audit Plan and 3-Year Strategic Plan** (a) that spelling errors be checked before the final submission of the Internal Audit Plan and 3-Year Strategic Plan to the Council. (b) that the Internal Audit Plan includes a high-level overview of fraud risk. (c) that the Internal Audit Plan is approved and adopted, subject to the following amendments: • Spelling and grammatical errors should be corrected. • Addition of a high-level overview of fraud risk systems. • The Audit Plan includes an Internal Audit review of the fraud control mechanism. (d) that a declaration of fraud awareness line item be added to the ARC agenda, this will be a standing item in our meetings.	Implemented Implemented Implemented Implemented
	9.5	**Internal Audit Charter** that Internal Audit Charter be approved and adopted, subject to the following amendments: • that consideration be made to the National Treasury Toolkit Charter.	Implemented

		• that the approval of remuneration of the Chief Audit Executive line item be withdrawn, as it was not applicable in the context of the public sector governance frameworks. • that the wording be changed from 'authorize' to 'participate in the appointment of Internal Auditors' for it to be relevant to the public sector. • that the last page where the SBDM Council will sign must be updated to reflect the name of the designated signatory, ensuring accuracy and completeness of the final documentation before submission or approval.	
	12.1	**<u>Risk Register Update</u>** (a) that a full, comprehensive Policy Register be completed. (b) that the Director: Finance and Corporate Services presents a report of ICT breaches.	 Implemented Outstanding

ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE YEAR ENDED 30 JUNE 2025 – SARAH BAARTMAN DISTRICT MUNICIPALITY

1. Introduction

It is with great appreciation and pride that the Audit and Risk Committee (ARC) present annual report to Council following the municipality's achievement of a Clean Audit Outcome for the 2024/2025 financial year. This milestone reflects not only technical excellence but also the collective commitment of Council, the Executive Mayor, the Municipal Manager, Senior Management, Internal Audit, and the Auditor-General's team.

The Committee also records its appreciation for the excellent working relationship that continues to exist between the Council, Audit and Risk Committee, senior management, Internal Audit, and External Audit. This culture of openness, professionalism, and mutual respect is an essential pillar of the municipality's sustained governance improvement.

This outcome reflects a sustained commitment to sound financial management, effective internal controls, and a culture of accountability across the institution.

2. Legislative Framework

The **Audit Committee fulfils its oversight responsibilities in terms of:**

- **MFMA Section 166,**
- **Municipal Systems Act,**
- **Municipal Supply Chain Management Regulations,**
- **National Treasury MFMA Circulars, and**
- **The Audit Committee Charter approved by Council.**

These legal frameworks collectively guide the Committee in executing its mandate related to financial reporting, internal controls, performance management, compliance, risk management, and the work of Internal and External Audit.

3. **COMPOSITION OF THE AUDIT AND RISK COMMITTEE AND ATTENDANCE**

The Audit Committee comprises of four independent members. The Committee is required to meet at least four times per annum as per its approved terms of reference. The following persons also have standing invitations to all committee meetings:

- The Municipal Manager or as represented by a nominated officer
- The Chief Financial Officer
- Heads of Departments of the SBDM
- Representatives of the Auditor-General
- The Chief Audit Executive
- The Compliance and Risk Officer and Legal Advisor
- The Performance Management Officer
- The Chairperson of MPAC.

The Audit and Risk Committee adopted a detailed work plan that provides the details of all reports required for each quarter enabling the committee to perform its mandate effectively as outlined in legislation as well as in the Audit Committee Charter.

The work plan forms the basis of the Audit and Risk Committee's quarterly agenda.

Both the Internal and External Auditors have unrestricted access to the Audit Committee.

During the 2024/2025 financial year, the Audit Committee held meetings as set out below:

Name of members	**Appointed**	**Total number of meetings 2024 – 2025**
Mr D De Lange	**Chairperson**	**7**

	28 August 2024.	
Ms N Jeeva	**1 January 2023**	**6**
Mrs T Knoetze	**1 January 2023**	**6**
Ms Nombulelo Oliphant		

Audit and Risk Committee meetings from 1 July 2024 to date 30 June 2025:

1. 15 August 2024 ARC Review of AFS and APR
2. 22 August 2024 ARC 4th Quarter ARC meeting (2023/2024)
3. 21 November 2024 AG Audit Steering committee meeting
4. 26 November 2024 1 st Quarter ARC meeting
5. 6 February 2025 2nd Quarter ARC meeting
6. 12 June 2025 3rd Quarter ARC meeting
7. 7 June 2025 3rd Quarter ARC Continuation meeting

Meetings that were held after 30 June 2025 which relate to the 2024/2025 financial year were:

1. 18 August 2025 and 27 August 2025 to review the Annual Financial Statements and Annual Performance Reports.

2. 2 October 2025 first quarter meeting for 2024/2025 financial year.

3. 17 November 2025 second quarter meeting for 2024/2025 financial year

4. Overview of the AGSA Audit Opinion

The AGSA issued the municipality with an unqualified audit opinion with no material findings— a clean audit—in respect of:

- The annual financial statements,
- Reported performance against predetermined objectives (PDOs), and
- Compliance with key legislation.

This outcome confirms that:

- Financial statements present fairly, in all material respects, the operations of the municipality;
- Performance information is useful and reliable;

- There were no material findings relating to non-compliance with the MFMA, SCM Regulations, or other applicable laws; and
- The internal control environment is functioning effectively.

5. Governance and Oversight by the Audit Committee

Throughout the year, the Audit Committee held **6** meetings, all duly attended by committee members, management, Internal Audit, representatives from Provincial Government(COGTA AND TREASURY) and the AGSA. The Committee's oversight focused on:

- Reviewing quarterly financial and performance reports as required by MFMA Sections 52(d) and 71,
- Assessing the adequacy and effectiveness of internal controls,
- Monitoring the implementation of audit action plans,
- Evaluating progress on risk management processes,
- Overseeing compliance with legislation, and
- Engaging with AGSA on audit strategies, findings, and management responses.

The Committee is satisfied that the municipality has demonstrated full commitment to addressing control weaknesses and strengthening compliance disciplines throughout the year.

6. Internal Control Environment

AGSA's assessment and the Committee's observations confirm that the municipality's internal control environment is strong, stable, and maturing. In particular:

- **Leadership** demonstrated ethical conduct, direction, and accountability in line with governance best practice.
- **Financial and performance management** through accurate reporting, credible source documentation, timely reconciliations, and effective monitoring.
- **Information and communication systems** supported compliance, reporting integrity, and reliability of information.

Internal Audit remained a key contributor to the municipality's clean audit achievement.

7. Internal Audit Function

The Internal Audit function is independent of management. The Audit Committee is satisfied that the Internal Audit team possess the required qualifications and are competent to carry out their role.

The Internal Audit Unit operated in accordance with the MFMA, International Standards for the Professional Practice of Internal Auditing, and the approved Risk-Based Internal Audit Plan. Key contributions included:

- Conducting audits across financial, performance, compliance, and ICT environments;
- Providing independent assurance on the adequacy of controls;
- Issuing timely recommendations; and

- Monitoring management’s progress on prior year findings.

Internal Audit’s work significantly strengthened the control environment and supported the AGSA’s positive assessment.

During the 2024/2025 financial year the Internal Audit Plan was executed, and all the high-risk audits were completed.

A notable improvement in both management’s participation and the internal audit team's progress in testing findings to reach resolution. As reflected in the statistics in the fourth quarter, there were 16 findings in the internal audit tracker under active follow-up. These findings are at various stages, with some awaiting management responses and others pending readiness for audit.

8. Performance Information and Predetermined Objectives

The Committee is satisfied that performance information, prepared in accordance with the Municipal Systems Act, Regulations on Performance Management, and the Framework for Managing Programme Performance Information (FMPPI), is:

- Useful,
- Accurate, and
- Reliable.

AGSA’s confirmation of no material findings on Pre-Determined Objectives is a notable achievement and affirms the alignment between planning, implementation, reporting, and monitoring.

9. Risk Management

The Sarah Baartman District Municipality Risk Management Maturity has continued to improve. A risk register has been compiled with identified process owners and target dates for completion.

The most recent strategic risk assessment was conducted on 18 May 2025. The next risk assessment is tentatively scheduled for May 2026, in line with the standard annual review cycle. However, should any strategic objectives or institutional conditions change significantly before then, the risk register will be updated accordingly.

The Risk Officer is responsible for the establishment of the risk management policy, risk management framework together with the risk management strategy and the preparation of the risk register.

In line with MFMA requirements, the Committee continuously assessed the effectiveness of the risk management processes. The municipality:

- Maintained and updated a Strategic and Operational Risk Register,
- Held regular Risk Committee meetings,
- Implemented mitigation strategies, and
- Embedded risk awareness in business processes.

The Committee acknowledges improvements in ICT security, supply chain controls, and financial reporting processes as significant contributors to the clean audit.

Fraud risk management is a concern raised by the AG.

Suggestions which the ARC have made on how to improve fraud risk management throughout the financial year include:

- That a high-level review of the controls to mitigate fraud and corruption risks be included in the Internal Audit Plan.
- The annual review of the Fraud Risk Strategy and Fraud Risk Plan is essential.
- The quarterly Review of the Fraud Risk Register by the Audit Committee.
- The creation of a Fraud Risk awareness and Ethics training program for employees.
- It was also suggested that the ARC members and management make written declarations as to whether they have any knowledge of any actual, suspected, or alleged fraud when declaring interest at quarterly meetings.

The ARC highlighted the growing relevance of artificial intelligence (AI) tools, such as ChatGPT, and emphasised the need for municipalities to address their impact through policy review. It was stressed that ICT policies and potentially all institutional policies should include clear parameters to prevent the uploading of confidential information to AI platforms.

10. Financial Management and Supply Chain Management (SCM) Oversight

The CFO is competent in respect of her expertise and experience, with the Finance Department functioning adequately and within its mandate.

Unfortunately, the CFO resigned in August 2025 which could have impacted negatively on the audit process and audit outcome. The Municipal Manager however acted proactively, and a team was established to work with the SBDM Finance Department staff. The other team members were sourced from the provincial departments (Provincial Treasury and COGTA) as well from a service provider which was on site who was appointed to assist Local municipalities to improve their audit outcomes.

SCM compliance remains a priority area for AGSA. The Committee is satisfied that the municipality:

- Adhered to MFMA SCM Regulations,
- Applied competitive bidding processes,
- Maintained proper documentation,
- Addressed previous irregular expenditure risks, and
- Strengthened contract and vendor management processes.

No material findings on SCM were reported by AGSA—an important factor in achieving the clean audit.

11. Audit Action Plan and Irregular, Fruitless & Wasteful Expenditure

The municipality maintained a robust audit action plan, monitored quarterly through Internal Audit and the Audit Committee.
The Committee acknowledges that:

- Irregular expenditure is being managed in terms of MFMA Circular 68 and the Irregular Expenditure Framework,

- Processes for preventing fruitless and wasteful expenditure have significantly improved, and
- No material findings were raised by AGSA in these areas.

12. Review of Annual Financial Statements

The Audit Committee reviewed and discussed the unaudited annual financial statements for the 2024/25 financial year with management. An external service provider was appointed provided an independent technical review of the financial statements on 30 June 2025.

This process included consideration of the adequacy, reliability and accuracy of financial reporting and information, ensuring it is consistent with applicable accounting standards and is compliant with the legal framework. The accounting policies and disclosures made by management were also reviewed during this process.

The Audit Committee and provincial departments of COGTA and Treasury recommended certain amendments before submission to the AGSA for audit purposes.

The financial statements were submitted to the Auditor General within the prescribed time frame as determined by the MFMA.

13. Challenges and Mitigations

While the municipality achieved a clean audit, the following challenges were noted during the year:

- Personnel resource constraints in ICT, financial management and service delivery areas,
- Increased legislative compliance demands,
- ICT infrastructure vulnerabilities,
- Financial sustainability issues and pressure on service delivery budgets and project budgets.

These challenges were proactively managed through decisive action by Council, training, internal control enhancements, automation, and improved oversight practices.

14. Sustaining the Clean Audit

While the Clean Audit is a significant achievement, the challenge that now lies ahead is to sustain this outcome consistently in the years to come. Maintaining a clean audit requires vigilance, discipline, and ongoing improvement across all levels of the organisation.

15. Appreciation

The Committee extends its appreciation to:

- The **Executive Mayor and Council** for consistent support,
- The **Municipal Manager** and Senior Management for their leadership and commitment,
- **Internal Audit** for professional and diligent service,
- **Provincial Treasury and COGTA,**

- **The AGSA** for constructive engagement and guidance, and
- All staff whose dedication contributed to this achievement.

16. Conclusion

The clean audit outcome again represents a significant governance milestone for the municipality. It demonstrates a high level of financial management discipline, credible performance information, and compliance with legislation.

The Audit Committee remains committed to supporting Council and management in ensuring that this achievement is not only sustained but used as a foundation for improved service delivery and enhanced public trust.

Daniel J de Lange

Chairperson of the Audit and Risk Committee

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (contracts entered into during 2024/2025)					
Name of service provider	**Description of services rendered**	**Start date of contract**	**Expiry date of Contract**	**Project Manager**	**Contract Value R**
La Consulting Engineers Pty Ltd	Consulting Engineering Services For The Upgrading Of M Street And Albert Street In Makhanda, Makana Local Municipality	2023/09/01	2026/02/27	Sinovuyo Nondlazi	R3 919 995,51
Likunga Protection And Security Services	Provision Of Security Services For Sarah Baartman District Municipality	2023/10/01	2026/09/30	Lundi Nqawa	R4 269 798,72
The Standard Bank Of South Africa	Provision Of Fuel And Maintenance Cards And Tracking Services	2025/09/23	2028/09/22	Bantu Mneno	Rates
The Specialists Franchise	Provision Of Cleaning, Sanitation And	2024/09/01	2027/08/31	Tembukazi Mafongosi	R2 801 172,00

Holdings	Hygiene Services For Sarah Baartman District Municipality				
Systems Services	Website Hosting And Maintenance Support For A Period Of 12 Months	2025/07/15	2026/07/14	Natasha Peterson	R64 887,60
Engineering Advice And Services	Procurement Of Professional Services For The Management Of Sarah Baartman District Municipality Rural Roads Asset Management System (Including Operational Requirements)	2023/10/01	2026/09/30	Sinovuyo Nondlazi	R7 164 643,75
Blue Networks And Infrastructure	Supply, Delivery, Installation, Configuration And Commissioning of An Integrated Ip Pabx Telephone System	2024/05/27	2027/05/26	Chuma Mabindla	R1 457 323,01
Protogen	Re-Development, Hosting And Maintenance of SBDM Tourism Website	2025/08/01	2028/07/31	P Tanga	R200 000,00
Protogen	Re-Development, Hosting And Maintenance of SBDM Tourism Website	2025/08/01	2028/07/31	P Tanga	R300 000,00
Protogen	Re-Development, Hosting And Maintenance of SBDM Tourism Website	2025/08/01	2028/07/31	P Tanga	Rates
Izindwe Marketing	Sarah Baartman News	2025/03/11	2028/03/10	Natasha Peterson	Rates
BCX	Server Infrastructure	2024/05/09	2027/05/08	Chuma Mabindla	R1 327 837,48
BCX	Server	2024/05/09	2027/05/08	Chuma	R667 700,57

	Infrastructure			Mabindla	
BCX	License	2024/05/09	2027/05/08	Chuma Mabindla	R1 132 661,07
The Standard Bank Of South Africa	Provision Of Banking Services	2025/07/01	2030/06/30	Noma Williams	Rates
Munsoft	Provision of Licensing, Maintenance Support Of Mimecast Cloud Email Security and Threat Protection (Or Equivalent)	2024/06/01	2027/05/31	Chuma Mabindla	R76 348,95
Munsoft	Prepaid Expenditure Provision Of Licensing, Maintenance Support Or Mimecast Cloud Email Security And Threat Protection (Or Equivalent)	2024/06/01	2027/05/31	Chuma Mabindla	R431 628,41
Tunimart	Appointment Of A Service Provider To Provide Travel Agency Services For Sarah Baartman District Municipality	2023/01/01	2025/12/31	Beverley Trollip	Rates
Aon South Africa (Pty) Ltd	Management Of Short-Term Insurance	2023/01/01	2025/12/31	Noma Williams	Rates
Ayanda Mbanga Communications	Provision Of Advertising Services In The Classified Section In Various Newspapers	2024/12/01	2027/11/30	Tembukazi Mafongosi	Rates
HTB Consulting Cc	Provision Of Internal Audit Services	2024/05/01	2026/04/30	Graham Terblanche	Rates
Maswana JV (Pty)Ltd	Addo Precinct Development Plan	2025/05/01	2026/04/30	Mlamleli Maqokolo	R285 200,00
Vox Telecommunic	Provision Of Office 365 (Or	2025/09/01	2028/08/31	Chuma Mabindla	Rates

ations	Equivalent)				
MTN Pty Ltd	Provision Of Mobile Data Services	2025/08/01	2028/07/31	Chuma Mabindla	Rates
Vodacom	Provision Of Internet Services	2025/11/01	2028/10/30	Chuma Mabindla	R1 198 997,60
Vodacom	Firewall Management Support	2025/11/01	2028/10/31	Chuma Mabindla	R298 974,96
Vodacom	Mobile PBX	2025/11/01	2028/10/31	Chuma Mabindla	Rates
Xerox Eastern Cape	Maintenance Support Services Of Six (6) Existing Multifunctional Colour Printers			Chuma Mabindla	Rates
Xerox Eastern Cape	Maintenance Support Services Of Six (6) Existing Multifunctional Colour Printers			Chuma Mabindla	R56 849,10
Ibhabhathane Trading	Rehabilitation Of M Street And Albert Street In Makhanda, Makana LM			Sinovuyo Nondlazi	R28 755 056,38
A2a Kopano	Improve Audit Outcomes of SBDM And Assist/Support LM’s In Improving Their Audit Outcomes And Improving Financial Sustainability Of The District			Themba Mbukushe	Rates
Rural Metro Emergency Management Service	Provision Of Accredited Fire And Rescue Training For Fire Officers			Kanyisa Majokweni	Rates

Public Private Partnerships entered into during 2024/2025 – Nil

Public Private Partnerships entered into during 2024/2025 – Nil

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The District Municipality makes an annual contribution to its Development Agency and that will continue for at least another 5 years as resolved by the Council. The amount is determined by Council during its Budget processes annually.

Local Municipalities that perform agency functions on behalf of the Municipality also receive an annual allocation from the District Municipality to perform those functions. Refer to 3.19 above.

The District Municipality also contributes financially towards local municipalities in respect of fire services as the local municipalities are appointed as agents to perform certain functions in terms of section 84(1)(j) of the Municipal Structures Act. The municipality continued utilizing the funding model for fire contributions which has been in the prior year. This model aims to address the related variables within each municipal area with the fire risk factor being fairly weighted, thus ensuring that the contributions to the local municipalities are equitably distributed.

The District Municipality has not provided any loans or grants to outside organisations.

The Executive Mayor may assist needy organisations by donating certain requirements, for example, for impoverished schools and sporting bodies

ANNUAL PERFORMANCE REPORT

Period of reporting

1 July 2024 – 30 June 2025

Contents **Page**

1. Introduction

This Annual Performance Report provides a comprehensive overview of the Cacadu Development Agency's performance for the financial year ended June 30, 2025. It details the agencies achievements against key performance indicators, and progress on strategic initiatives. This report is intended for the Board of Directors and its sub-committees, the Audit and Risk Committee, the Sarah Baartman District Municipality and all stakeholders, and the Auditor General of South Africa. This report provides a transparent account of the agency's performance during the past year.

This performance report is a text-based report that also include charts, tables, and statistics to offer a visual balance. It acts as a comparison of how the agency's results and performances are against the targets set. The aim of reporting is to continuously assess goals and results, to readjust or change course so that performance outcomes improve, and which then leads to better audit outcomes. Reporting on projects and programmes is important to capture results and implementation progress. It is also an important accountability tool.

The reporting process includes monthly, quarterly, half-yearly and annual reports. The reporting process is accumulatively, with monthly reports and quarterly reports comparisons, and progress.

The sections below outline the progress, engagements, and achievements of projects against set targets and are presented in the following formats:

- Project Matrix – provides a narrative and shortened description of project progress and serves as baseline information for the various targets.
- Stakeholder Engagement / Management – provides a chronological account of all engagements the team had with both internal and external stakeholders.
- Performance of targets against the SDBIP which indicates targets achieved or not achieved.
- Performance Report as narrative, statistics, and charts.
- Broad summary of performance with recommendations.

2. Project Matrix – Project Baseline Narrative

No.	Project	Monthly Updates / Progress
1.	**Public Sector Agreements**	**July -** The SLAs for Ndlambe Local Municipality expired on the 26 July 2024. A new SLA is currently pursued with the municipality. **August -** SLAs for both Sundays River Valley Municipality and Ndlambe Local Municipality have been signed and finalised in the quarter under review. **September -** CDA submitted a funding application to the Development Bank of Southern Africa (DBSA) for various projects at local municipal level. DBSA is waiting for SBDM Council to pass a resolution for the process to progress to the next stage. **October -** Final payment for the Palms Swimming Pool to Beyers Naude Local Municipality. Engagement with Ward Councillor (Cllr Ricardo Smith) on the criminal, overgrown state and related matters of the swimming pool precinct. **November –** SLA with Makana Local Municipality was initiated. CDA engaged Beyers Naude Local Municipality to assist with SCM related matters in the municipal area, and which was positively responded to by the BNLM SCM Office. **December –** CDA submitted, based on the request from DEDEAT Industrial Cluster, project related to the Industrial Park for funding to the Presidential Stimulus Fund. On-site meeting with DEDEAT to provide input into any environmental issues that may hamper the cleaning of the Palms Swimming Pool in Graaff-Reinet. A subsequent report has been provided to guide the BSC when advertising for a service provider. **January –** CDA were invited to partake in discussions with the Sundays River Valley Municipality on participating in the Agri-park that the municipality presented at the CDA Strategic Planning Session. **February 2025 –** Introduction to the new Municipal Manager of Koukamma Local Municipality and advised on the SLA in place, and projects currently in implementation linked to the SLA. **March 2025 –** Meeting with SANPARKS to establish relations for future potential **April 2025 –** Meeting with DBSA where confirmation was provided of the application and projects received from the CDDA. DBSA advised on providing a template for completion to have more information on the projects and as part of planning for the workshop planned in May.

		May 2025 – Telephonic and email engagements with ECDC to discuss best ways for ECDC, Wakanda Food Incubator and CDDA to formalise an agreement for the Somerset East Food and Beverage Incubator to be implemented. **June 2025 –** Communication to ECDC on the Council decision to wind down the operations of the CDDA. To further seek confirmation that the partnership will continue or alternative advisory from ECDC.
2.	**NPO program**	**July -** A payment was made to Village Scribe Association at an amount of R6 000.00 on the 17th of July 2024 for the maintenance of the NPOs computer labs. The District Wide Corporate Social Investment (CSI)/ Non-Profit Organisation (NPO) Support Programme closeout report was finalised on the 30th of July 2024. **August -** The call for funding of the District Wide Corporate Social Investment (CSI) / Non- Profit Organisation Support Programme was advertised on the CDA website, Facebook page and distributed electronically to all 7 LMs and the parent municipality (LED and Mayors Offices) as part of the distribution channels. That was done on the 16th of August 2024. **September -** The District Wide Corporate Social Investment/ Non-profit Organisation Support Programme call for applications was closed on the 16 September 2024. The CSI Committee convened on the 19 September 2024 to review the applications received. The total number of applications received was 125 from all 7 LMs. **October -** There were 109 proposals received from all seven Local Municipalities in the district. The assessment of applications by CSI committee was done on 15 and 16 October 2024. The committee finalised the assessment on the 28 October 2024 and agreed on the verification dates for NPO's that are likely to be considered. The dates for verifications are 05 and 06 November 2024 **November -** The CSI committee members conducted NPO verifications in Kouga Local Municipality, Koukamma Local Municipality, and Sundays River Local Municipality on 5 November 2024. This process continued 6 November 2024 with further verifications in Makana Local Municipality, Ndlambe Local Municipality, Dr. Beyers Naude Local Municipality, and Blue Crane Route Local Municipality. Following these assessments, the committee recommended 11 NPOs to the CEO for consideration on 15 November 2024. The CEO approved funding for 9 of these NPOs on 25 November 2024. **December -** On 18 December 2024, communication was sent to the nine approved NPOs, notifying them of the successful outcome of their funding applications. All nine NPOs confirmed their acceptance of the funding in writing. Between 18 December 2024 and 24 December 2024, four of the NPOs signed their SLAs. **January -** Nine NPO's in the district received a total payment of R326 763.00

		February - On 24 February 2025, the CEO dissolved the CSI Committee and assumed full responsibility for the selection process of an additional 11 NPOs, citing concerns over the perceived pace of the unit and committee. Regret letters were issued to unsuccessful applicants on 25 February 2025. As a result, the total number of NPOs to be funded in the 2024/2025 financial year stands at 20. **March -** 11 Additional selected NPOs were verified in March. 4 NPOs were paid an amount of R 51 510.00 on 14 March bringing CSI expenditure to R393 963.00. **April -** NPO verifications were conducted for two NPOs in Ndlambe Local Municipality on 17 April 2025. Six NPOs have been paid a total amount of R61 568.01. In total, 19 NPOs have received payment. One NPO payment is still outstanding and is yet to be paid an amount of R10 293.45. **May -** NPO verifications took place in Dr Beyers Naude on 15 May and 28 May 2025. Additional verifications were conducted in Koukamma and Kouga on 19 May 2025 to finalize the CSI closeout report. **June -** The CSI closeout report was concluded.
3.	**MSME Training for Entrepreneurs in Koukamma Local Municipality**	**July -** A meeting between the Koukamma Local Municipality Municipal Manager and the CDA's CEO was held on the 12 July 2024 to introduce a training programme for entrepreneurs [MSME] in Koukamma. The aim of the training programme is to enhance the skills, competencies and knowledge needed by the MSMEs to run their businesses more efficiently, optimise operations and make better decisions. The Municipal Manager welcomed the intervention, and it was agreed to arrange a meeting between the officials of Koukamma Local Municipality and Cacadu Development Agency. **August -** A meeting with officials from the Office of the Speaker, Tourism and Agriculture took place at the Koukamma Local Municipality in Kareedouw on the 22nd of August 2024 to discuss the programme implementation plan as well as of rolling out the training to MSMEs. **September -** A needs analysis workshop with Tourism and Agriculture MSMEs fill the skills gaps identified, took place at the Koukamma Local Municipality in Kareedouw on the 26 September 2024. Although the attendance was not as expected, the discussions were very fruitful. Different training needs were identified, and it was agreed to provide the SMMEs time to engage and prioritize their needs. Database for both the MSMEs in Tourism and Agriculture has been populated. **October -** The prioritized needs have been received and a draft specification document for a call for training service providers was finalised.

		November – An RFQ specification meeting for the MSME Training for Entrepreneurs in Koukamma Local Municipality took place on the 26th of November 2024. The specification document was concluded on the day and the approved RFQ was advertised on the CDA website, social media and SBDM noticeboard on the 29th of November 2024. **December –** The Quote Evaluation Committee convened on 11 December 2024 to evaluate the quotations received and a report was submitted to the CEO for approval. **January –** The BEC met to consider the input by the CEO on its report submitted on the 19 December 2024. The CEO did not approve the BEC recommendation due to the bidder's TBC status on CSD regarding Directors in the service of state as well as the fact that the current appointment on Report Writing Training is still not concluded due to matters outside the service provider's control. The BEC uphold it recommendation based on the advice sourced from SBDM Senior Manager: Legal Services and Provincial Treasury and the CEO then approved. An appointment letter was sent to the service provider, and an acceptance letter was received. The Service Level Agreement was signed on 31 January 2025 by both parties. The training is scheduled to take place in February 2025. **February –** The training took place on 25 February – 28 February 2025 in the Michael Mcebisi Mzisi library boardroom at Koukamma Local Municipality. The participants were welcomed by Councillor Vuyani Persent, representing the Mayor and the Chief Executive Officer of CDA delivered words of encouragement. A total of 17 participants, out of the expected 20, attended the training session. Two participants could not attend due to last minute unforeseen travelling and one participant had an emergency to attend to. The group was very interactive and submitted the POEs on the last day of the training i.e. 28 February 2025. **March –** The Skills Development Provider (SDP) submitted a training report on 7 March 2025. The report, which is available on request, entails the course overview and training details. It is concluded that the program was successful. Out of the 17 delegates who attended the program only 1 delegate did not submit the POE. On the final day delegates were requested to fill in training evaluation forms which were made available to the agency. The feedback from the delegates will assist both the SDP and the agency to assess the effectiveness of the training program. **April –** The submission of the training survey forms was the last target for the project and was achieved in the previous quarter. **May –** All targets for the training were achieved by the 27th of March 2025. Therefore, the project is closed. **June –** Status quo remains the same as the previous reporting period.

4.	**Boschberg Tourism Hub**	**July -** A service provider has been appointed on 22 July 2024 for Bid No 07/2023-2024 for the Analysis, assessment and costing of the infrastructure requirements to resume full operations at Boschberg Tourism Hub. A virtual project inception meeting occurred on the 29th of July 2024. An on-site inception meeting has been scheduled for the 5th of August 2024. **August -** An on-site inception meeting occurred on the 5th of August 2024 with the appointed service provider, Delta Built Environment Consultants. The Inception phase of the scope of works has since been completed by the appointed service provider to the satisfaction of the Project Steering Committee (PSC), this has been expressed at a meeting which was held on the 20th of August 2024. The PSC has recommended the payment of R52 900.00 (including VAT) for the completed scope of works, namely: the inception report draft as well as the final inception report. A meeting with Delta BEC occurred on the 29th of August 2024 to discuss the draft situational analysis report which the service providers submitted on the 23rd of August 2024. **September -** Delta BEC submitted the Final Costing Report Bid No. 07/2023-2024 on the 30th of September 2024. **October -** The final PSC meeting for Bid No 07/2023-2024 occurred on 09 October 2024 to approve the submitted Final Costing Report. All the required documents were received on 11 October 2024 and 22 October 2024. The project has been closed out. **November / December –** No further activity has been registered on this project other than CDA awaiting the DBSA funding application outcome to renovate and repair the buildings **January –** No progress on this project as CDA is still awaiting engagement with DBSA to get clarification on the application for funding. **February –** Status quo the same but DBSA confirmed engagements for April and May 2025. **March –** DBSA confirmed engagements for April and May 2025. **April –** Status quo the same as previous month. **May -** A virtual meeting with DBSA on the 15th of April was held. The discussion focused on the need for clear support requirements from the DBSA, including financing, technical assistance, and project preparation. Cacadu Development Agency shared the list of 9 projects they had previously submitted to the DBSA, including the project details and total value. DBSA advised that these projects will be discussed in the upcoming workshop scheduled for July 2025. **June –** DBSA workshop on 23 June to establish the South African DFI Forum (SADFIF, a platform where agencies can

		explore potential funding collaborations. It was again advised in the meeting that workshops for funding projects, of which Boschberg is one, will commence in July 2025.
5.	**Palms Swimming Pool**	**July -** A notice was published on the 18th of July 2024 in terms of Regulation 68 of the Deeds Registries Act, 1937 of the intention to apply for the issue of a certified copy of the Deed of Transfer for the Remainder Erf 1 Graaf Reinet which has been lost or destroyed. No comments have been received, the item is pending lodgement with the Register of Deeds at King Williams Town. The service provider has indicated that the lodgement will occur by the 15th of August 2024. **August -** On the 13th of August 2024, the appointed service provider informed CDA that Lawrence, Masiza and Vorster did not have a clearance certificate from SARS. The original documents relating to the transfer of the property have been sent to the Deeds office and upon receipt of the SARS clearance certificate, the matter may be lodged at Deeds office. The service providers have tentatively indicated that their SARS issue which is delaying lodgement of transfer documents will be resolved by the 5th of September 2024. **September -** Lawrence Masiza and Vorster confirmed that the Remainder of Erf 1 Graaf Reinet has been registered under the ownership of Cacadu Development Agency on the 19th of September 2024. **October -** Confirmation of payment of the purchase price plus VAT made to Dr Beyers Naude was received. The Title Deed for The Palms property was received on 25 October 2024. The agency now seeks to redevelop the Palms property in Graaff-Reinet by offering incentives with a long-term view of growing the city revenue and developing its infrastructure. Pursuant with this goal, the Agency, through the Supply Chain Management Policy will commence with the process of inviting interested, suitably qualified and experienced developer teams to respond to an Expression of Interest (EOI) for the redevelopment of ERF 1 in Graaff-Reinet. The EOI will be advertised in the month of November 2024. **November –** The BSC has not yet finalized the EOI. An inspection was carried out at the facility to establish the extent of cleaning services required to make the property investor friendly. A specification has been drafted for an RFQ but was delayed as environmental concerns confirmations were awaited by the Department of Environment and Economic Affairs. **December -** On-site meeting with DEDEAT to provide input into any environmental issues that may hamper the cleaning of the Palms Swimming Pool in Graaff-Reinet. A subsequent report has been provided to guide the BSC when advertising for a service provider. **January –** CEO had a meeting with the Ward Cllr Smith to update of the progress and get an understanding on the role the BNLM will play in cleaning the site. A meeting also ensued with BNLM SCM to get assistance in distributing the RFQ to clean the erf. An

		RFQ for cleaning services was advertised on the 24th of January 2025 and a briefing session for RFQ was conducted on the 29th January 2025. **February –** A service provider for the cleaning services was appointed. Site clearance is still on-going. **March –** Site clearance is still on-going. The due date is extended to 4 April 2025; therefore, the service provider is expected to finish the cleaning work by 4 April 2025. **April –** Site clearance is complete and the project for cleaning services is closed. BSC convened on the 29th of April to finalize the RFP. **May –** An RFP was issued to the shortlisted bidder. The closing date for submission was 23 May 2025, however, the bidder requested for an extension of 2 months which was granted by the BEC. **June -** No progress on this project as CDA is still awaiting the closing date of the RPF submission to start the evaluation process.
6.	**Ndlambe Bridge**	**July -** SANRAL has granted the Ndlambe Local Municipality after CDA intervention, permission to have the Kowie Bridge beautified in coherence with CDAs request for such a project. Next will be to develop specifications or TOR to advertise for the appointment of a Design and Implementation Service Provider. **August -** The Bid committee appointment process is underway. CDA requested Ndlambe LM to assist with members to constitute the BSC on the 29th of August 2024, the request was approved on the 30th of August 2024. **September -** The BSC committee sat on the 12th of September 2024 and on the 18th of September 2024. The Bid is to be advertised on 4 October 2024 **October -** Bid No 01/2024-2025 was advertised on 04 October 2024, the closing date for submissions was 28 October 2024, however, a request for an extension of the closing date by two weeks was received from one of the bidders who attended the compulsory bid clarification meeting. The request has been approved, resulting in the closing of the bid now being 11 November 2024. **November -** The tender process closed on 11 November 2024 and the first BEC sitting was on 20 November 2024. The bid is still at BEC stage and an outcome from the Committee is waiting for consideration at BAC. **December –** The matter is awaiting finalisation at BAC level. **January –** No progress registered on this project as the BCRM BAC has not provided an outcome on the project. **February -** No progress registered on this project as the BCRM BAC has not provided an outcome on the project.

		March – Awaiting outcome from the BAC which is scheduled for April. **April –** The tender was cancelled by BAC due to budget constraints. **May –** Status quo the same as previous month. **June –** Status quo the same as previous month.
7.	**Food Gardens**	**July -** A meeting was held between Koukamma Local Municipality and Cacadu Development Agency on the 26th of July 2024 to identify households to participate in the competition-based programme. It was resolved that site visits would be scheduled with the councillors of wards 5 and 6 in the Guava Juice, Woodlands, and Thornham communities. Email communications occurred between the ward councillors, CDA officials, and KLM officials and the 13th of August 2024 was secured as the date of households' identification. **August -** CDA and KLM officials visited ward 5 and 6 of Koukamma Local Municipality on the 13 August 2024 to identify areas suitable for the project. Thornham, Guava Juice, Wittekleibos, and Woodlands were identified to be suitable for this project, as they have bigger backyard gardens. Programme enrolment forms were shared on the 15th of August with LED official and ward councillors to get the desired information of residents that will partake in the backyard food gardens programme. The selection process will be led by ward councillors of the two wards, with members of the ward committee overseen by Mr Moos (LED official) and guidance by CDA. **September -** Twenty (20) households that will participate in the programme were selected on the 20 September 2024. Participants come from Thornham, Guava Juice, Woodlands, and Wittekleibos in Koukamma Local Municipality. **October -** The Specification Committee for the Supply and Delivery of Garden Equipment, Seeds and Seedlings in Koukamma Local Municipality convened on 14 October 2024 to draft and finalise the specification document. The RFQ was advertised on 18 October 2024. The RFQ for the Supply and Delivery of Garden Equipment, Seeds and Seedlings in Koukamma Local Municipality closed on 29 October 2024. The RFQ was evaluated on 30 October 2024, and the service provider was recommended. **November -** The service provider, Nivuka (Pty) Ltd, was appointed for the supply and delivery of garden equipment, seeds and seedlings on 4 November 2024, with the appointment accepted on the same day. The equipment was successfully delivered on 19 November 2024. The CDA CEO and officials, in partnership with Koukamma Local Municipality mayor, councillors and officials, conducted a formal handover event where garden equipment, seeds, and seedlings were distributed to 20 beneficiaries on 20 November 2024.

		December - The project team has identified potential prizes for the top three performers in the competition-based programme. The final decision on the prizes will be determined following the approval of the mid-term budget. **January -** The committee met on the 28th of January, to discuss the dates of monitoring and evaluation (site visits) to all 20 beneficiaries. The agreed dates were as follows • First visit- 04 February 2025. • Second visit- 20 March 2025 **February -** The project team conducted site visits to monitor and evaluate the progress of the competition-based food garden project in Woodlands, Wittekleibos, Thornham, and Guava Juice. **March -** Members of the project team went to monitor and evaluate the 7 participants who were available in the first round of visits for evaluation. All participants have now been monitored and evaluated. **April -** Status quo the same as previous month. **May -** Due to financial constraints the Management Committee resolved the purchasing of prizes be place on hold and considered in the next financial year. **June -** Status quo the same as previous month.
8.	**Somerset East Industrial Park**	**July -** CDA has published a notice in terms of Section 113 of the Municipal Finance Management Act, 2003; Regulation 37 of the Municipal Supply Chain Management Regulations, 2005 and Section 21A of the Municipal Systems Act that an unsolicited bid is being considered by the entity. The closing date for comments was the 31st of July 2024. No comments have been received. The Unsolicited Bid will be submitted to the National Treasury and the Eastern Cape Provincial Treasury for comment on the 1st of August 2024. **August -** CDA was invited to a meeting by the Eastern Cape Provincial Treasury and National Treasury on the 23rd of August 2024 to discuss the Unsolicited Bid for the Investor or Developer for the Development, Expansion and Operationalization of the Somerset East Industrial and Retail Park received by the Agency from Ntiyiso Consulting. A formal response is expected from the Provincial and National treasury in September 2024. The recommendations from the respective Treasuries will inform the next steps of the project **September -** A response was received from the National Treasury on 9 September 2024 regarding the unsolicited bid. National Treasury recommends that the Cacadu Development Agency should not proceed with the consideration of the unsolicited bid and should follow a competitive bid process. The Bid was then cancelled on the 10th of September 2024. CDA is currently implementing suggestions made by respective Treasuries on the 23rd of August 2024 in line with formal recommendations of the 9 September 2024 with the aim of republishing the RFP for Investor

		or Developers for the Development, Expansion and Operationalization of the Somerset East Mixed-Use Industrial and Retail Park in October 2024. **October -** Bid Specification and Bid Evaluation committees were appointed in October 2024. A BSC meeting occurred on 31 October 2024 to develop the specification for RFP02/2024-2024. The RFP will be published in November 2024. **November –** The RFP was advertised country wide in various newspapers, the CDA website and Facebook, LinkedIn and various other social media platforms. **December –** CDA submitted, based on the request from DEDEAT Industrial Cluster, projects related to the Industrial Park for funding to the Presidential Stimulus Fund. **January –** an RFP has been advertised for developers for redevelopment of the industrial park with an onsite clarification meeting on the 7 January. **February –** Bid Evaluation Committee meeting was held on 21 February 2025 for the evaluation of the submitted RFP proposals and could not be concluded as yet. **March –** BEC reconvened on the 13th of March to conclude the evaluation of the submitted RFP proposals. The bid is at BAC stage, the BEC is waiting for an outcome from the BAC which is scheduled for April. **April –** BAC noted inconsistencies in the evaluation process and recommended to the accounting officer that the bid be readvertised, and the accounting officer exercised his discretion in terms of the applicable regulation and referred the matter **May -** The Bid is at BAC stage, the BEC is waiting for an outcome from the BAC. **June –** The BAC convened on the 25 June 2025 and the bid was approved with conditions. The letter of approval was issued on the 30 June 2025.
9.	**Food and Beverage Incubator**	**July -** CDA had a meeting with Wakanda Food Accelerator via MS Teams on the 24th of July 2024. The team from the Wakanda Food Accelerator stated that they are an NGO and would only be comfortable sharing their concept and how the food accelerator is run if there is an MOU between the CDA and Wakanda Food Accelerator. They stated that they would want to partner with the agency by either constructing the kitchen incubators or providing training for the beneficiaries of the Food and Beverage Incubator. Resultantly the CDA is seeking alternative incubators to visit to obtain relevant operational, strategic, and financial information to assist in developing CDAs own successful food and beverage Incubator. **August -** CDA had engagements with ECDC on the 9 of August 2024 requesting intervention as the engagements with Wakanda to facilitate an information sharing visit were not fruitful. ECDC

		then communicated further with Wakanda on the 15th of August 2024. In their communication, ECDC indicated that CDA is seeking collaboration with Wakanda. Upon learning that the visit is purely for information sharing purposes, Wakanda withdrew all interest in facilitation. Resultantly, CDA is currently conducting extensive research to develop their own Food and Beverage Incubator concept. **September -** A public participation session was held on the 30 September 2024 where the concept document was finalised by CDA, BCRM and BCRM local SMMEs that are in the food and beverage sector. Twenty-Five Local SMMEs were identified during the public participation engagement and showed interest in participating in the programme and filled in the incubation programme preselection form. **October -** A call for applications for the Food and Beverage Incubator Programme was published on 22 October 2024, the closing date was 31 October 2024. On 21 October and 31 October 2024, CDA scheduled meetings with BCRLM officials within the Town Planning and Building, LED, Revenue and Technical Services departments to finalize the proposed layout for the Incubator Program. The meetings were not attended by any official and no apologies were received. Further attempts to confirm that no permits are required will continue in the month of November 2024. On 24 October 2024, ECDC attempted to assist in establishing working relations with Wakanda Incubator. Discussions are on-going **November –** The concept was discussed with ECDC, and an advisory was provided that the funding may not be sufficient for the full project. It was agreed that in the interim the selection of participants and the training component should be continued with. Incubation Programme, the selection committee met on the 19 November 2024 and out of the 18 applications received, 14 are compliant. **December -** The selection committee concluded the selection process and submitted their recommendations to the CEO. Subsequently, 14 compliant applicants, aligned with the objectives of the programme, were selected to participate in the Food and Beverage Incubator Programme. **February -** The specification of the Provision of Training Services for Food and Beverages in Blue Crane Route Local Municipality was concluded on 05 February 2025. The Tender was then advertised on 14 February 2025 in the Herald, Sunday Times, E-Tender, and on the CDA website. **March -** The Provision of Training Services for Food and Beverages in Blue Crane Route Local Municipality bid was closed on 17 March 2025. The submitted bids were evaluated on 19 March 2025. The evaluation report was sent to the BAC and the CDA is awaiting the BAC recommendation.

		April - A meeting was held between ECDC, Wakanda, and CDDA on 25 April 2025. It was resolved in the meeting that the project must be on hold until ECDC and Wakanda visit the Industrial Park. **May -** Discussions with ECDC ensued to find the best method to implement the Food and Beverage program in Somerset East / KwaNojoli and the decision on bringing on board the Wakanda Food Incubator were explored. **June -** Status quo the same as previous month.
10.	**Somerset East Aerodrome**	**July -** CDA has published a notice in terms of Section 113 of the Municipal Finance Management Act, 2003; Regulation 37 of the Municipal Supply Chain Management Regulations, 2005 and Section 21A of the Municipal Systems Act that an unsolicited bid is being considered by the entity. The closing date for comments was the 31st of July 2024. One comment has been received from the public. The comment and the Unsolicited Bid as received will be submitted on the 1st of August 2024 to the National Treasury and the Eastern Cape Provincial Treasury for comment in line with regulations. **August -** CDA was invited to a meeting with the Eastern Cape Provincial Treasury and National Treasury on the 23rd of August 2024 to discuss the Unsolicited Bid for the Investor or Developer for the Expansion and Operationalization of the Somerset East Aerodrome Precinct received by the Agency from Ntiyiso Consulting. A formal response is expected from the Provincial and National treasury in September 2024. The recommendations from the respective Treasuries will inform the next steps of the project. **September -** A response was received from the National Treasury on 9 September 2024 regarding the unsolicited bid. National Treasury recommends that the Cacadu Development Agency should not proceed with the consideration of the unsolicited bid and should follow a competitive bid process. CDA is currently implementing suggestions made by respective Treasuries on the 23rd of August 2024 in line with formal recommendations of the 9 September 2024 with the aim of republishing the RFP for Investor or Developers for the Development, Expansion and Operationalization of the Somerset East Mixed-Use Industrial and Retail Park in October 2024. RFQ 02/2024-2025 for the Provision of Office Building Repair and Signage Fitment at the Somerset East Aerodrome was advertised on 27 September 2024. **October -** A Request for Quotations (RFQ) for the Provision of Office Building Repair Services and Signage Fitment was advertised on 01 October 2024, the closing date was 09 October 2024. A service provider has been recommended for appointments. **November –** The RFP was advertised country wide in various newspapers, the CDA website and Facebook, LinkedIn and various other social media platforms. The appointed contractor for the RFQ 02/2024-2025 for the Provision of Office Building Repair and Signage Fitment did not honour the inception meeting and subsequently also not submitted the program to assume duties. The matter was referred to SCM who advised that this is a

		non-compliance and recommended termination, but for the service provider to respond within 7 working days. If the response is not provided, the second highest point scoring bidder will be appointed as per the recommendation of the QEC to the Accounting Officer. **December –** The contract of the previous service provider has been cancelled, and the second service provider has been appointed. The appointment has been accepted, and work will commence in January 2025. **January –** A Request for Proposals (RFP) has been advertised for developers for the redevelopment of the aerodrome, with an onsite clarification meeting scheduled for 7 January 2025. The appointed service provider, tasked with repairing the control room in December 2024, has commenced work however, the repairs have not yet been completed. **February –** The Bid Evaluation Committee convened on 21 February 2025 to assess the submitted RFP proposals; however, the evaluation process has not yet been concluded. The service provider responsible for the control room repairs has completed certain aspects of the work but has yet to finalize the project. Additionally, a service provider for hangar repair services was appointed in February 2025, and the repair work is currently ongoing. **March -** (Operationalization of the Aerodrome) – BEC reconvened on the 13th of March to conclude the evaluation of the submitted RFP proposals. The bid is at BAC stage, the BEC is waiting for an outcome from the BAC. The hanger repairs are done, and the service provider has signed a close-off report. The service provider responsible for the control room repairs has completed the tiles **April –** BAC noted inconsistencies in the evaluation process and recommended to the accounting officer that the bid be readvertised, and the accounting officer exercised his discretion in terms of the applicable regulation and referred the matter back to the BEC for re-evaluation rather than readvertising. The matter is at BEC for re-evaluation. **May -** The Bid is at BAC stage, the BEC is waiting for an outcome from the BAC. **June –** The BAC convened on the 25 June 2025 and the bid was approved with conditions. The letter of approval was issued on the 30 June 2025.
11.	**Sand Mine**	**July -** The Service Level agreement between Ntiyiso Consulting Group and Cacadu Development Agency was signed on the 01 July 2024. An inception meeting and site visit was held with Ntiyiso Consulting Group in Paterson on the 10th of July 2024. The SRVLM officials rendered an apology, however quorum was met. The service provider sent the inception document to CDA on the 12th of July 2024 which was then sent back to the service provider for corrections. The service provider returned the amended document to the CDA on the 29th of July 2024. They are currently waiting for their first payment amounted of R89 371.17 (VAT Incl.)

		August - Ntiyiso Consulting Pty Ltd was paid an amount of R89 371.17 on the 16 August 2024 for the completion of project initiation phase which included the conclusion of SLA, mobilising of project resources, discussions on project scope and the development of the project initiation document with work plans. A stakeholder engagement meeting was held on the 23 August 2024 in Paterson to engage key project stakeholders on the project engagement strategy. Phase 2 was scheduled to commence on the 26 August 2024 on site, for the sampling of the sand. **September -** Based on the project implementation plan the service provider was supposed to complete the Status Quo Assessment on 16 August 2024, Draft Business Plan on 20 September 2024, and complete the project on 11 October 2024. A progress meeting was conducted with Ntiyiso Consulting Pty Ltd on 27 September 2024. During this meeting, the project team expressed their dissatisfaction with the report presented by the consultant. Suggestions for corrective measures were provided to the service provider. Payment for the task will be issued only after these corrective measures have been implemented. The service provider assured CDA that the project will still be completed on the agreed date as per project inception plan. **October -** The Project Steering Committee (PSC) met with Ntiyiso Consulting Pty Ltd, where the service provider presented a project update on 23 October 2024. During the meeting, the PSC raised concerns regarding the omission of sand quantities that will assist in formulation of financial projections on the study. Ntiyiso acknowledged the omission. An email was sent to Ntiyiso Consulting, reminding them of the project's scope of work and their commitments to the Cacadu Development Agency On 29 October 2024. In response, the service provider confirmed on 31 October 2024 that they would supply the required sand quantity details, and the project will be finalised on 31 November, 2024. **November -** Ntiyiso Consulting Pty Ltd sent geologists to the site on 22 November 2024 to assess the quantity of sand available and to collect additional information missed during their initial visit. On 29 November 2024, a business case, excluding the geology studies, was shared with the CDA. **December -** Ntiyiso Consulting Pty Ltd presented the draft business case, including geological findings, on 6 December 2024. Following a review, the business case was returned to the service provider on 13 December 2024 with input and requests for clarification. The service provider committed to submitting the final draft by 18 December 2024, however, the final draft has not yet been submitted. **January -** The service provider submitted the final document on the 24th of January 2025 with a close out report and the project is finalised and closed.

		February - The CDA was invited by SRVLM to present the final study, conducted by the appointed service provider, at the sand mine/glass manufacturing facility at the council meeting scheduled for 28 February 2025. Additionally, CDA made a request to the council for the transfer of land for the project. However, the presentation could not proceed as the item was not prepared or submitted to the council by SRVLM. **March -** A follow-up was sent to SRVLM enquiring about the transfer of land to the CDA. **April -** A follow up email requesting the transfer of land to CDA was sent to SRVLM MM and officials. No response was received. **May -** Status quo the same as previous month. **June -** Status quo the same as previous month.

3. Stakeholder Engagement / Management

Strategic Objective	Stakeholder Group	Name of organization	Primary Interest	Engagement Mechanism	Date of Engagement	Level of Influence	Output / Comment
Information sharing and Partnership building.	External	ECDC	Food and Beverage Incubator information sharing	Telephonic	08 August 2024 and 15 August 2024	Low	CDA followed up on a previous request made to Wakanda through ECDC to receive operational, strategic and financial information which will assist in the development of the Food and Beverage Incubator. The engagement did not yield the desired outcome.
Project Scoping, Packaging, and Investment Mobilization	External	Eastern Cape Provincial Treasury and National Treasury	Unsolicited Bids (Aerodrome and Industrial and Retail Park)	Virtual (MS Teams)	23 August 2024	High	The Unsolicited Bids received were discussed at length. CDA will receive formal communication regarding the output of the meeting in September 2024.
Information sharing and Partnership building	External	Sundays River Valley Local Municipality	Stakeholder engagement	Physical meeting in Paterson	23 August 2024	High	CDA employees attended the stakeholder engagement meeting in Paterson organised by Sunday River Municipality in partnership with Ntiyiso Consulting to consult all stakeholders that will be impacted by the sandmining/glass manufacturing project
Information sharing and Partnership building	Internal	SBDM, 7 LMs and Sector Depts	District-Wide Infrastructure Forum (DWIF) meeting	Physical meeting in Graaff-Reinet	5 – 6 September 2024	High	DWIF convenes quarterly and CDA made a presentation to indicate what infrastructure projects it is implementing. Also to request participation in projects of a catalytic nature from all LMs and sector departments.
Information sharing and Partnership building.	External	Office of the Premier and ECDC (Provincial Technical IGR Forum)	Strengthening IGR between various government spheres	Physical meeting in East London	12 – 13 September 2024	High	The Premier engaged Mayors of the district and local municipalities to be updated on various programmes of government. Administrations were requested to take work and serving the people of the province as their primary priority.
Information sharing and Partnership building	Internal	SBDM Executive Mayor and Mayors from LMs	Update on programs of government throughout the district	Physical meeting at SBDM Council Chamber	25 September 2024	High	Updates were provided on various projects in the district and various challenges were raised on stagnant projects and interventions required.
Information sharing and Partnership building	External	MEC Finance (EC Province)	Update of the State of Municipal Finance and Audit Outcomes	Physical meeting at SBDM Council Chamber	26 September 2024	High	The MEC was updated by Mayors and MMs on the various grants received by Provincial Treasury. Concerns were expressed on the slow pace of implementation and the MEC requested LMs to commit to set dates for implementation and expenditure. In addition, the regression in Audit

							Outcomes were raised as a concern.
Information sharing and Partnership building	External	DRDAR Provincial Five-Year Strategic Planning Session	The alignment of CDA projects to DRDAR provincial plan.	Physical in Mphekweni	26 and 27 September 2024	High	The identification of opportunities in the district for potential collaboration with DRDAR.
Project Scoping, Packaging, and Investment Mobilization	External	DEDEAT and ECDC – Provincial Investment Committee	Provision and updates on the Provincial Property Development Advisory Panel	Virtual meeting	27 September 2024	High	Property development is seen as the best mechanism to rebuild and transform the EC economy. The PDAP was announced and the process of identifying opportunities discussed.
Project Scoping, Packaging, and Investment Mobilization	External	DEDEAT	Quarterly Eastern Cape Industrial Park Forum	Physical meeting at Chris Hani Development Agency	27 September 2024	High	CDA is a member of the Quarterly Industrial Park Forum, the engagements aim at opening investment opportunities throughout the Industrial Parks.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRLM and Local SMMEs	The development of the Food and Beverage Incubator concept document and identification of potential incubates.	Physical in BCRM	30 September 2024	High	The finalisation of the Food and Beverage Incubation centre concept document and the identification of 25 potential incubates
Information sharing and Partnership building	Internal	SBDM	Mayoral Outreach to Nieu Bethesda	Physical meeting in Nieu Bethesda	10 October 2024	Medium	CDA shared its district-wide programs with stakeholders and were requested to assist with training and various matters in relation to LED.
Information sharing and Partnership building	External	STR Conference, SALGA, Cogta and various LMs	Presentation of CDAs project-based approach to Small Town Regeneration	Physical meeting Cradock	28 - 30 October 2024	Medium	CDA took part in the panel discussion to showcase the work and approach the agency towards STR. Recommendations were that the Karoo towns represented must follow a similar approach and avail funding and support implementation by various agencies.
Information sharing and Partnership building	External	Office of the Premier and ECDC	Inaugural launch of the EC Provincial Investment Council	Physical meeting East London	31 October 2024	Medium	The members of the PIC were announced and the role in respect of investment clarified. The agency championed for more investment at LM level in the Sarah Baartman District.
Approvals	External	Blue Crane Route Local Municipality	Food and Beverage Incubator Establishment	Virtual	21 October 2024 31 October 2024	HIGH	The CDA needs BCRLM technical departments to approve the proposed layout and establishment of the Food and Beverage Incubator
Information sharing and Partnership building	External	Entrepreneurs Unlimited (Ms. Lulama Jakavula)	Partnership with CDA on the Seda supported Township Incubation centre in Makana	Physical meeting at CDA Offices	6 November 2024	Medium	The request for partnership was well received but the monetary requirement is beyond the CDA available budget.
Information sharing	External	BNLM Mayors Office, Cllr Ricardo Smith and illegal occupants on the Palms Swimming	To advise the Mayo, Cllr and the illegal occupants of the CDA's intention to clean the property and for them to move off voluntarily	Physical meeting Graaff-Reinet	12 – 13 November 2024	High	CDA would like to clean the site to ensure it is investor friendly for the site briefing scheduled for January 2025. It is therefore imperative that the illegal occupants be made aware of same and given notice to

		Pool in Graaff-Reinet.					vacate the site.
Information sharing and Partnership building	External	ECDC and various other agencies	Public Entities Collaboration forum discussions and updates	Physical meeting East London	18 November 2024	High	To advise on various collaborative initiatives between CDA and ECDC as well as other agencies. The aim is to seek inter-agency support and exchange of skills and knowledge to enhance investment opportunities.
Information sharing and Partnership building	External	Koukamma Local Municipality	Mayors advisory forum.	Physical Meeting in Kareedouw.	18 November 2024	High	Identification of economic opportunities in KKMLM and how these can be unlocked.
Partnership Building	External	Koukamma Local Municipality	Delivery of tools and seedlings to 20 households in various wards as part of the Pilot Food Gardens project	Physical delivery and meeting with recipients	20 November 2024	High	The CDA is encouraging local or at home production of food and are piloting this project with 20 beneficiaries in Koukamma.
Information sharing	External	LGSETA	Sharing information about skills development funding, provide ideas to SDFs about training and development opportunities that have been rolled out in the district and provide updates.	Physical Meeting in South End, Nelson Mandela Bay Municipality.	25 – 26 November 2024	Medium	To advise SDFs and HR Practitioners of the funding opportunities available through LGSETA and to explain how organisations can successfully apply for skills funding.
Information sharing and Partnership building	Internal	District Mayors Forum	Sharing of information on projects in the various local municipalities	Virtual meeting	27 November 2024	Medium	Conformation and updates on various projects across the district that all Mayors should be aware of and for them to aid and guide where required.
Information sharing and Partnership building	External	SBDM Services on wheels in Woodlands, Koukamma LM	To bring much needed government services closer to the community	Physical meeting	28 November	High	CDA provided an update on its CSI program and the Food Gardens to the broader community. Also provide encouragement to unemployed youth to get involved in the agriculture sector by starting with a food garden and production of food at household level.
Information sharing	External	Sundays River valley Local municipality.	Strategic Planning Session.	Physical	28 November 2024	Medium	Strategic document of the LM and projects that needs to be prioritised in the mid-term budget adjustment and in 2025/26 financial year.
Information sharing	External	National Treasury	Sharing of information about existing transversal term contracts including the purpose and benefits of participating in such contracts.	Physical Meeting in East London IDZ, Buffalo City Metropolitan Municipality	28 November 2024	Medium	We engaged on the advantages and disadvantages of participating in such contracts as the National Treasury seems to be encouraging municipalities and municipal entities to participate, the decision will have to be made by the CDA whether to participate and on which contracts to participate in.
Information sharing	Internal	SBDM Council	The council meeting where various CDA matters were approved.	Physical meeting at Council Chambers	2 December 2024	High	The CDA SLA and applications to DBSA has been approved in the Council sitting.

Information sharing and Partnership building	Internal	CDA Board of Directors	Strategic Planning Session with relevant local government stakeholders and the parent municipality	Physical session at Addo Wildlife	3 December 2024	High	Annual review of the CDA strategy and guidance toward the strategic and operational imperatives for the next 5 years.
Information sharing	External	Bonakude	Risk Management Session	Physical meeting on 1st Floor Boardroom	4 December 2024	High	Identification and discussion of the strategic risks of the CDA with the Board, ARC and staff.
Information sharing and Partnership building	External	DEDEAT	Industrial Parks Forum – regulator quarterly meeting	Physical meeting in KwaNojoli (Somerset East)	5 December 2024	High	Update on projects linked to the Industrial Park. Guidance and advisory are provided from peers in similar projects.
Partnership Building	External	Kirkwood Abattoir	To provide government response to the private sector to the establishment of a rural, private abattoir	Physical meetings including Dept of Rural Development and Agriculture, SBDM and SRV	9 December 2024	High	The CDA has been requested to build partnerships or assist the private sector with guidance and assistance where required. CDA convened all relevant departments to provide input and assist.
Information sharing and Partnership building	External	DEDEAT, Mr Frikkie Rossouw	Guidance on environmental concerns to clean the Palms Swimming Pool	Physical meeting at the swimming pool complex in Graaff-Reinet	18 December 2024	High	CDA required the DEDEAT to provide guidance on any environmental concerns that may exist or triggered before cleaning the swimming pool site and make it development ready.
Information sharing and Partnership building	External	SAFCO Group	Partnership request on the SRV Agripark	Physical meeting at CDA	10 January 2025	Medium	The request from SAFCO follows on the presentation by SRVM at the CDA Strat Session. The main aim was to understand whether CDA is allowed to take up equity in the project in lieu of facilitating various services through engagement with government departments. NT previously advised that CDA is not able take up equity.
Information sharing and Partnership building	External	BCRM MM, BCRM CFO and BNLM SCM Manager	Strengthen the role LMs play in assisting CDA with SCM	Physical meetings in KwaNojoli and Graaff-Reinet	23 and 24 January 2025	High	The CDA projects are being delayed due to non-sitting of various SCM committees in LMs. This meeting was for BCRM to commit to provide the required services and also to request BNLM to assist if they are able.
Information sharing and Partnership building	External	Municipal Managers Forum	Providing an update of all projects of the CDA in the various municipalities.	Physical meeting in Ndlambe	12 February 2025	High	There is continued uncertainty about the role the agency fulfils in the local municipalities. This presentation provided updates on projects that were jointly agreed by the CDA and LMs.
Information sharing and Partnership building	External	Aspire Development Agency (Amathole District)	Strengthening partnerships between district agencies	Physical meeting in East London	13 February 2025	High	A need exists for inter-agency collaboration and knowledge sharing. This was such an opportunity that allowed for clarification of matters of common interest especially investment methodologies.

Information sharing and Partnership building	External	Koukamma Local Municipality	Introduction to Mr Similo Dayi, the new MM	Physical meeting in Kareedouw	18 February 2025	Medium	The aim of the meeting was to introduce the CDA to the MM and advise on collaboration through the SLA.
Information sharing	External	Anti-corruption and Ethics Workshop	Information regarding measures in combating corruption in municipalities	Physical at SBDM Council Chamber	18 February 2025	Medium	The Department of Co-Operative Governance was sharing information regarding their Local Government Anti-Corruption Strategy. The SIU shared its mandate and cases affecting SBDM and locals. The DPCI shared information about its role in preventing and combating corruption in municipalities. OTP shared the provincial initiatives on ethics and anti-corruption.
Information sharing and Partnership building.	External	Finance in Common Summit (FiSC)	Attendance of this summit to seek potential partners for the CDA.	Physical attendance at Cape Town ICC	26 – 28 February 2025	Medium	CDA networked with various organisations and were able to arrange for an engagement with the Global Infrastructure Basel Foundation (GIB) to see if potential synergies exist that can unlock funding opportunities.
Information sharing	External	COGTA and various Sector Departments	Provincial DDM meeting	Physical at Coega Vulindledla Conference Center	6 March 2025	Medium	The aim of the meeting was to share various Inter-governmental programmes and responses around the province. Various sectors expressed dissatisfaction with the process and were critical of the silo approach to various projects and services.
Information sharing and Partnership building	External	SANPARKS	To establish how the CDDA can play a role in future projects around national parks	Virtual meeting	10 March 2025	Medium	Sanparks and Sanlam have started a partnership to fund MSMEs working on various projects around the park. The request was for collaboration with the CDDA on future projects specifically in Sundays River and Koukamma Local Municipalities.
Information sharing	External	Industrial Park Forum	To present the progress of the Somerset East Industrial Park to the Industrial Park Forum	Physical meeting in Butterworth	11 March 2025	Medium	The forum is an engagement platform to share ideas, advise and engage in meaningful discussions regarding Industrial Parks within the Eastern Cape
Information sharing	External	Association of Skills Development South Africa (ASDSA)	Annual General Meeting	Virtual	25 March 2025	High	The AGM featured a well-delivered program to extend its appreciation to all speakers and participants for their valuable contributions. It featured presentations from the CEO, Chairperson, Treasurer, Projects Chairperson, and Secretary.
Information sharing and Partnership building	External	Eastern Cape Rural Development Agency (ECRDA)	Partnership with farming entrepreneurs in the SBDM area	Virtual meeting	13 May 2025	Medium	The aim of the meeting was to discuss inter-agency cooperation. ECRDA would like to establish a footprint in the SBDM area to assist subsistence farmers to

							become commercially oriented. To that extent CDDA was requested to advise where such possibilities exist for future partnership and funding assistance.
Information sharing and Partnership building	External	Department of Social Development	DDM catalytic projects	In person	19 May 2025	Low	The purpose of the meeting was to discuss catalytic projects within the district and explore the roles that various stakeholders could play in their implementation.
Information sharing and Partnership building	External	Blue Crane Route Municipality	Update to project at BCRM Strategic Planning Session	Physical workshop in Blue Crane	2 June 2025	High	Considering the winding down of the CDDA it was important to discuss how this will impact on the projects in BCRM. It was suggested that BCRM assign an official that will work with CDDA in ensuring the projects do not stall as development is still needed on the designated projects.
Information sharing and Partnership building	External	Development Bank of Southern Africa (DBSA)	Lauch of South African DFI Forum (SADFIF)	Physical meeting at DBSA Offices in Midrand	23 June 2025	High	The DBSA saw the need for closer collaboration between DFIs and agencies to ensure the latter is better funded for project of mutual interest at local municipal level.
Information sharing and Partnership building	External	Dr Beyers Naude Local Municipality	Tourism Indaba	Physical meeting in Graaff Reinet	25 June 2025	High	The tourism gaps from the Tourism Sector Plan were discussed. The key outcome was for exploration of new tourism products.

4. ANNUAL PERFORMANCE REPORT FOR THE PERIOD 2024/25

The following PDOs and targets (adjusted during the period for same in January 2025) were concluded for the reporting period under review:

PREDETERMINED OBJECTIVE	PERFORMANCE INDICATOR	ANNUAL TARGET	OUTCOME	OUTPUT	ACHIEVEMENT	REASON FOR DEVIATION
Outcome 1: Strategic Partnership Development						
Strategic Partnership Development	Agreements finalised with 7 Local Municipalities and provincial sector departments and agencies	4 Agreements concluded that will realise projects for CDA by 30 June 2025.	Signed agreements with at least 4 local municipalities, provincial sector departments and agencies.	CDA conclude SLAs with Ndlambe Local Municipality and Sundays River Valley Municipality Communication to ECDC to review the partnership / addendum with CDDA. Communication with DBSA – provision of further information on projects submitted for funding.	**NOT ACHIEVED**	The CDDA is dependent on the ECDC and DBSA to finalise agreements on their side. All relevant information to complete this target was shared from the CDDA side and continuous follow-up is ensured.
	Agreements and or partnerships finalised with non-public sector organisations for delivery of mutually beneficial projects.	5 Agreements concluded that will realise projects and or partnerships for CDA by 30 June 2025.	Signed agreements and support to at least 5 NPOs in the Sarah Baartman District.	CDA signed agreements with 19 NPOs for assistance through the CSI support program	**ACHIEVED**	No deviation
	MSME Training for Entrepreneurs in Koukamma Local Municipality	One (1) blended Entrepreneurial Training Program in Agriculture and Tourism by 30 June 2025.	Completed training program for MSMEs in the Koukamma Local Municipality.	Conclude a MSME Training Program for Agriculture and Tourism Entrepreneurs from Koukamma.	**ACHIEVED**	No deviation

Outcome 2: Unique District-Wide Tourism Attractions						
Unique district-wide tourism attractions	Redevelopment, Renovations and Operationalization of the Boschberg Tourism Hub in Blue Crane Route Municipality.	Funding application and implementation of Redevelopment and Renovations by 30 June 2025	Secured funding from potential funders to renovate the Boschberg Tourism Hub in Somerset East	CDA applied to DBSA for funds towards renovations of the Boschberg Tourism Hub	**NOT ACHIEVED**	Funding has been requested from the DBSA through the 'Partner-A-District' Programme in July 2024. DBSA experienced various delays in finalisation of successful projects. This delayed the redevelopment and renovations at the Boschberg Tourism Hub.
	Redevelopment of the Palms Swimming Pool into a Mixed-Use Tourism Facility in the Beyers Naude Local Municipality.	Explore MOUs with Developer / Investor for redevelopment of the facility by 30 June 2025.	Appointment of an investor or developer for the Palms Swimming Pool in Graaff-Reinet	The CDA issued an EOI to which responses were received. The preferred Developer were then requested respond to the second stage of the Tender process i.e., RFP for provision of Design and Financial proposals.	**NOT ACHIEVED**	By end of the financial year an MOU has not been finalised as CDA was awaiting full design and financial proposals in response to the RFP issued to the Daku Group.
	Upgrading and enhancing of the Ndlambe Bridge as a tourist attraction for the town.	Painting of the bridge with luminous paint and installation of lights for enhancement by 30 June 2025,	Luminous bridge that is an addition to the tourism assets of the town,	The BAC issued an outcome that the project must be re-advertised because the tender amount far exceeds the budget for the project	**NOT ACHIEVED**	Delays were caused by the pending outcome from the BCRM BAC for the tender that closed on November 2024. The tender Bid No 01/2024-2025 was cancelled in April 2025 due to budget constraints. Funding has been requested from the DBSA through the 'Partner-A-District' Programme in July 2024. DBSA experienced various delays in finalisation of successful projects. This delayed the Upgrading

						and enhancing of the Ndlambe Bridge.
Outcome 3: Innovative Agricultural Sector						
Innovative agricultural sector	Using a competition-based programme to encourage and assist a minimum of 20 households to produce crops in their back / front yard gardens to enhance food security.	Encourage and assist 20 households on a competition-based programme to produce crops in their back or front gardens in 4 towns in the Tsitsikamma region by 30 June 2025.	Roll-out of the food gardens and food security programme in 4 towns in the Tsitsikamma region.	CDA assisted 20 households to establish food gardens in all 4 towns as part of encouragement for food security.	**ACHIEVED**	No deviation
Outcome 4: Appropriate Infrastructure Development and Investment						
Appropriate infrastructure development and investments	Developer and partner led infrastructure developments for the industrial and retail services in the Somerset East Industrial and Retail Park.	Finalise Agreements with investors to start Turnkey development process by 30 June 2025.	Appointment letter and SLA concluded for a Developer or Investor for the Mixed-Use Industrial and Retail Park in Somerset East, Blue Crane Route Municipality	No developers were appointed and thus no agreements finalised to start a turnkey development process for the Somerset East Industrial and Retail Park.	**NOT ACHIEVED**	The BAC outcome was delayed as a quorum could not be achieved. Thus, agreements with investors could not be finalised by end of the financial year.
	Implementation of a Food and Beverage Incubator in the Industrial Park	Operationalisation of a container build food and beverage incubator for 10 entrepreneurs in Blue Crane Route Municipality by 30 June 2025.	Completed container build food and beverage incubator for 10 entrepreneurs to operate from.	The operationalization of the food and beverage incubator has not been achieved as ECDC which is the funder suggested that the process of implementing the programme needs to be reviewed.	**NOT ACHIEVED**	The BAC could not recommend a service provider for training to start due to excessive pricing. In addition, ECDC indicated that the concept should involve Wakanda Food and Beverage Incubator based on their expertise in the field.
	Developer led infrastructure developments for	Finalise agreements with investors for infrastructure	Appointment letter and SLA concluded for a Developer or Investor for the Aerodrome in	No developers were appointed and thus no agreements finalised to start a turnkey development	**NOT ACHIEVED**	The BAC outcome was delayed as a quorum could not be achieved. Thus, agreements with

	the Somerset East Aerodrome	development by 30 June 2025.	Somerset East, Blue Crane Route Municipality	process for the Somerset East Industrial and Retail Park.		investors could not be finalised by end of the financial year.
	Formalisation of the Sand Mine or establishment of a Glass Manufacturing operation in Paterson	Business Case development for either the operations of a sand mine or glass manufacturing facility in Paterson by 30 June 2025.	Completion of a Business Case and submitting it to the Sundays River Valley Municipality for potential release the land to CDA.	A Business Case for the best utilisation of the area, i.e. a Sand Mine or Glass Manufacturing facility has been completed and submitted to both the SRVM and ECDC.	**ACHIEVED**	No deviation
Outcome 5: A Well Governed and Viable Agency						
A well governed and viable Agency	Compliance with all financial, planning, administration and reporting requirement	Budget Planning, Execution and Monitoring, Procurement administration and management, Expenditure Management and other regulatory matters	Full compliance with planning, administration and reporting of all financial processes.	All monthly, quarterly and half-year financial and related reports submitted to governance structures and SBDM Council were submitted within the regulated time.	**ACHIEVED**	No deviation
	Compliance and Reporting on all SCM matters	Submission of SCM Reports, up to date deviation register, up to date contract management register, up to date formal quotes register and up to date bids register.	Ensure full compliance with all SCM and related functions.	All SCM and related reports submitted to governance structures and SBDM Council were submitted within the regulated time.	**ACHIEVED**	No deviation
	Expenditure incurred of the overall budget	95% Spending of the overall budget by 30 June 2025.	Achievement of at least 95% expenditure of the total budget.	The entity spent 72% of its overall budget.	**NOT ACHIEVED**	SBDM Council did not approve the CDA Adjustment Budget. CDA had to revert to the original approved budget after engagement with Provincial Treasury and the office of the AG. Virements as guided by

						NT Municipal SCOA Circular No. 8 Municipal Finance Management Act No. 56 of 2003
	Improved Audit Outcome	Unqualified Audit Opinion.	Achievement of an Unqualified Audit Opinion for the 2023/24 financial year	Unqualified audit opinion for 2023/24 financial year was achieved as delivered by the office of the AG on 30 November 2024.	**ACHIEVED**	No deviation
	Performance Management for all staff	Quarterly Performance Reviews for all employees with a Report on areas of intervention by 30 June 2025.	Performance assessments for all staff completed.	Performance management reports for all staff.	**ACHIEVED**	No deviation
	Implementation of a Competitiveness of Reward Systems	Annual comparison and review of CDA reward system and accordingly report to Board by 30 June 2025	Ensure staff salaries are benchmarked and implemented with prescribed increases by the SALGA Collective Agreement	Increase for all staff implemented in relation to the SALGBC Circular and included in the Budget for approval by Board and SBDM Council	**ACHIEVED**	The CEO has not received an increase as the CDA is awaiting formal communication on Upper Limit increases.
	Skills Development and Capacity Building	Implementation of the WSP and PDP of all staff and quarterly reporting to Board by 30 June 2025.	Skills Development Programs implemented for all staff as per Performance Work Plans.	Capacitation of all staff as indicated in the Training Report.	**ACHIEVED**	No deviation
	Board of Directors and various Committees function optimally to ensure effective governance and oversight.	Minimum of 4 Annual sittings of the Board of Directors	Regulated and Special sittings of the Board of Directors.	Agendas, Minutes and Attendance Registers as evidence of sittings	**ACHIEVED**	No deviation
		Minimum of 4 Annual sittings for the HR Committee	Regulated and Special sittings of the HR Committee	Agendas, Minutes and Attendance Registers as evidence of sittings	**ACHIEVED**	No deviation
		Minimum of 4 Annual sittings for the Finance Committee	Regulated and Special sittings of the Finance Committee	Agendas, Minutes and Attendance Registers as evidence of sittings	**ACHIEVED**	No deviation

		Minimum of 4 Annual sittings for the Audit and Risk Committee	Regulated and Special sittings of the Audit and Risk Committee	Agendas, Minutes and Attendance Registers as evidence of sittings	**ACHIEVED**	No deviation
		1 Annual General Meeting including the Board, Audit and Risk Committee, SBDM and relevant stakeholders by 30 June 2025.	Report back to stakeholders on achievements and get buy-in for the financial year ahead.	Engagement with all relevant stakeholders.	**NOT ACHIEVED**	In May the SBDM Council resolved to close the CDA and winding down operations in the 2025/26 financial year.

5. Performance Report

Performance reporting helps one to better understand the status of Agency projects and identify areas of improvement while keeping the Shareholder, the Board of Directors, Staff and Stakeholders up to date.

This progress report includes all the work completed that has been in implementation since the last report. It outlines the tasks completed, goals achieved, or changes necessitated due to changing circumstances, resource, and related matters. This progress report measure productivity and compares the quarterly reports and provides an overview of the annual performance of the agency.

The table below looks at the achievement of targets against the PDOs and provides an indication of whether the Agency is making an impact on its mandate.

Number of Targets	Targets ACHIEVED	%	Targets NOT ACHIEVED	%
23	14	60.9	9	39.1

Achievement of Targets

The information provides a picture of progress within the Agency. The oversight and administrative processes seem to be doing well, whilst the key mandate of the Agency, delivering projects, is still lagging, thus there is a fluctuation in targets achieved. Various reasons for the latter exist, including continuity of operations that delayed various processes from quarter 1 to quarter 4.

6. Risk Management

The Board, Accounting Officer and staff has committed the Cacadu Development Agency (CDA) to a process of risk management that is aligned to the principles of good corporate governance and to the Risk Management Policy and Risk Register. The role of risk management is to provide the CDA Management and Staff with guidance on how to apply consistent and comprehensive risk management. The risks below have been severely impacted on the operations of the agency and guides effective risk management:

- Non-approval of the CDA Adjustment Budget in January 2025 has affected the modality and quantum of expenditure.
- Delays and dependency on an external BAC delayed delivery on the key mandate of project delivery.
- The lingering issue of ‘’sustainability’’ and continued going concern status is a concern as the agency is not well financed to respond to the mandate due to shortage of resources.
- Increasing the skills pool is an obvious solution but CDA does not have sufficient finances to allow for more appointments.

- Limited to no support from the Provincial Sector Departments thus private sector engagement to invest in projects.
- Red tape reduces the appetite of the private sector, more so at LM level that is also struggling to collect sufficient rates etc.
- The decision by SBDM Council in May 2025 to wind down operations of the agency towards closure brought about various tangible and salient risks.

7. Summary and Conclusion

In conclusion, the CDA had the potential to make a significant difference to the district and local municipalities with the work started in the past two financial periods. The imminent closure may negate all the good efforts the team initiated. The projects which is live and others that will be concluded in the 2025/26 financial year with private sector partners, the ECDC and DBSA needs to be managed carefully to ensure best impact in local municipalities.

The governance and oversight functions, the CDA team and indeed various other wish that the current work of the agency be used as baseline for whomever inherit the implementation and conclusion of significant and dynamic projects for communities in the district.

Submitted by:

Eldrid Marlon Uithaler (PhD)
CHIEF EXECUTIVE OFFICER

30 August 2025

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

See Note in the Annual Financial Statements

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

See Page 6 of the Annual Financial Statements. The District Municipality does not provide basic services and therefore a detailed performance on revenue collection is not applicable.

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

See Page 6 of the Annual Financial Statements. The District Municipality does not provide basic services and therefore a detailed performance on revenue collection is not applicable.

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

See Notes in the Annual Financial Statements

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Not applicable - The District Municipality's capital expenditure is only linked to assets used for operations and excludes infrastructural assets. All infrastructural assets through capital projects implementation, is capitalised by the local municipalities.

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Not applicable – see previous comment

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2023/2024

Not applicable

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2023/2024

Not applicable

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Available from local municipalities.

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Information available from local municipalities.

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

The District Municipality makes an annual contribution to its Development Agency and that will continue for at least another 5 years as resolved by the Council. The amount is determined by Council during its Budget processes annually.

Local Municipalities that perform agency functions on behalf of the Municipality also receive an annual allocation from the District Municipality to perform those functions. Refer to 3.19 above.

The District Municipality also contributes financially towards local municipalities in respect of fire services as the local municipalities are appointed as agents to perform certain functions in terms of section 84(1)(j) of the Municipal Structures Act. The municipality continued utilizing the funding model for fire contributions which was in the prior year. This model aims to address the related variables within each municipal area with the fire risk factor being weighted, thus ensuring that the contributions to the local municipalities are equitably distributed.

The District Municipality has not provided any loans or grants to outside organisations.

The Executive Mayor may assist needy organisations by donating certain requirements, for example, for impoverished schools and sporting bodies

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71

All returns, in accordance with Section 71 of the MFMA, were submitted on time.

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Not relevant to the SBDM

This type of information is more pertinent to local municipalities, especially regarding basic services and ward committees.

REPORTING ON KPA'S AS PER REQUIREMENT OF COOPERATIVE GOVERNMENT AND TRADITIONAL AFFAIRS

ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (KPA 1)

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts	96	88	90%	Vacancies
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	4	4	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY.	1	1	100%	Completion of outstanding MFMP modules for CFO.
4	Percentage of Managers in	1	1	100%	.

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	Technical Services with a professional qualification				
5	Level of PMS effectiveness in the DM – (DM to report)	All employees of the institution are on the PM System. Reviews are conducted quarterly. Monthly reports are assessed by Management and submitted to the Mayoral Committee.			
6	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5-year term	88	88	100%	Vacant post could not undergo the audit. All employees formed part of the skills audit process.
7	Percentage of councillors who attended a skill development training within the current 5-year term	Not all councillors enrolled for the MFMP programme completed their training successfully. There has been a new request to have the councillors that did complete the 16 unit standards continue to enrol for the remaining 6-unit standards of the qualification to be able to have attained the full qualification and not just the requirement of NT.			
8	Percentage of staff complement with disability	2	2	0.2%	The Council employment equity plan has been reviewed and adopted. Recent changes to legislation may impact the duration of the plan but in its totality, objectives are achieved as far as possible.
9	Percentage of female employees	50	50	56%	Percentage of entire staff establishment

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
10	Percentage of employees that are aged 35 or younger	8	8	10%	Percentage of entire staff establishment
11	Adoption and implementation of a District Wide/ Local Performance Management System	The District Municipality has adopted and implemented an automated Performance Management System which is cascaded to all levels of staff throughout the organisation. This system is operating effectively, and the performance of every staff member is reviewed on a quarterly basis. The system is continually being refined to ensure its efficiency and compliance with legislation. Regular quarterly performance reports are submitted to Council. The automated system of the District Municipality has been made available to all local municipalities. So far five of the local municipalities in the District have implemented the system. Continual performance management support and capacity building is made available to all local municipalities.			

BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

WATER SERVICES: Annual Performance as Per Key Performance Indicators in Water Services

WATER SERVICES: Annual Performance as Per Key Performance Indicators in Water Services

The functions of Water Services Authority and Water Services Provision do not lie within the Sarah Baartman District Municipality but rather with Local Municipalities under the district. All functions associated with water and sanitation services are carried out by Local Municipalities.

The primary role and objective of the Sarah Baartman District is that of support and coordination in capacitating local municipalities in their roles of provision of basic water supply and basic sanitation as outlined in the Water Services Act.

District Municipality Key Projects for ……………..

During the current financial year reporting, the district did not initiate any projects in terms of water and sanitation but rather attended to emergency requests from local municipalities in terms of provision of portable drinking water and provision of basic sanitation services where local municipalities were struggling to sources funds.

Support Provided by the district to local municipalities in water services:

- The district, in partnership with the department of water and sanitation hosted workshops, aimed to encourage and assist local municipalities to draft their own water and policies and bylaws. Through submissions by local municipalities, it was found that most local municipalities under the district to not have their own water policies but rather bylaws which were outdated.

  One on one sessions were held with municipalities where each local municipality drafted their tailored water policy which would then be presented to internal structures and follow their individual the policy adaptation process.

- Through quarterly community engagements the district was able to visit Ndlambe LM, Makana LM, Kouga LM, Koukamma LM and Sundays River Vally LM to conduct water and sanitation educational awareness campaigns, the message being to promote conservation of water and saying No to vandalism and theft of water and sanitation infrastructure.

- **Water Services Support Ndlambe Local Municipality:**

  R1 000 000 was allocated to Ndlambe LM to assist in refurbishing Nkwenkwezi Water Pump Station which had been vandalized.

Nkwenkwezi Water Pump Station

- **Water Service Support Koukamma Local Municipality**

  The Clarkson Water Treatment Plant which had been vandalized, deeming the plant nonfunctioning was allocated an amount of R 400 000.00 to replace water pumps, electric cables and replace control panels which were vandalized to provide treated drinking water for the community of Clarkson.

Clarkson Water Treatment Works

- **Water Service Support Blue Crane Route LM**

  Water backup pumps and accessories were procured for blue crane municipality for the orange fish Water Treatment Plant

Water pumps Blue Crane Route LM

Local Municipality	Service Description	Budget Allocation
Ndlambe LM	Refurbishment WPS	R 1 000 000.00
Blue Crane Route LM	Procurements of Water Pumps	R 400 000.00
Koukamma LM	Refurbishment WTW	R 400 000.00
	Water Harvesting Tanks Langkloof S.S. S	R 46 000.00

Major Challenges in Water Services

The Sarah Baartman District's water infrastructure is characterized by aged and deteriorating water systems. Many water supply networks, pipelines, and treatment plants are in a state of disrepair, leading to frequent leakages, inefficiencies, and service disruptions.

The existing water supply systems are unable to cope with the growing demand for water. The district has a low population density causing the composition of water schemes to be scattered amongst each individual settlement, water schemes are not centralized. There is a total of 44 water supply schemes serving more than 125 000 households.

Water availability and more so quality are critical factors for sustainable development, public health, and economic growth. The most challenging factor that continues to set municipalities back and undermine any progress made is vandalism and theft of water infrastructure. Electrical cables for access to the copper component, water pumps and even boundary fences are removed.
Local municipalities struggle with adequate budgeting for maintenance and operations for water services the increased in vandalism and theft exacerbates the situation causing a never-ending loop of replacing existing infrastructure before their life span have been reached.

SANITATION SERVICES: Annual Performance as Per Key Performance Indicators in Sanitation Services

As with water services, the district does not administer the function of sanitation services, however the district is mandated to carry out a strategic objective to capacitate Local Municipalities in improving sanitation services and providing a basic level of access to sanitation to its communities.

Support Provided by the district to local municipalities in sanitation services:

- Most prominent requests received by the district from local municipalities are requests to undertake maintenance of sewer mains in terms of unblocking and general maintenance of sewer pump stations and wastewater treatment facilities.

- The district intervened in Sundays River Valley where local citrus farmers were not seeing eye to eyes with the Sundays River Valley municipality due to untreated sewage that was being deposited to orchards causing early degradation of the fruits.

Local Municipality	Service Description	Budget Allocation
Sunday River Valley LM	Sewer Challenges	R 1 300 000.00
Koukamma LM	Repair to Sewer Truck	R 80 000.00
	Sewer Maintenance	R 800 000.00
Dr Beyers Naude LM	Maintenance of WWTW and Ponds	R 2 277 000.00
Makana LM	Procurement of Sewer Truck	R 1 500 000.00
	Alicedale WTW	R 100 000.00
	Riebeek East Maintenance of Pit Toilets	R 180 000.00

- Educational awareness campaigns help quarterly in each municipality with the message being to promote sanitation practices which are good for infrastructure and the environment and saying no to vandalism

Water and Sanitation Education campaign Kouga and Makana LM

Major challenges in Sanitation Services

The Sarah Baartman District faces significant challenges in providing adequate and reliable sanitation services to its residents. Existing sewer systems are often aging and poorly maintained, leading to frequent blockages, leaks, and overflows. This disrupts service delivery and contaminates water sources.

In addition, many sewer treatment plants operate at or above design capacity, struggling to handle wastewater and effectively treating effluent to a standard that is fit to discharge and is not harmful to the environment. The above-mentioned challenges require increased investment in sanitation services to upgrade and expand the sanitation infrastructure.

Vandalism and theft of infrastructure play a bit role in delaying efforts to renew and upgrade sanitation infrastructure, budget that is meant for maintenance goes toward reactiveness in replacement of stolen goods.

MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK (KPA 3)

Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	7	7	100%
2	Percentage of LED Budget spent on LED related activities.	R2 850 000	R1 9000 000	50
3	Existence of LED strategy	**ALL 7 LMs do have LED strategies. 2021/22 FY is the beginning of New Councils and post LG elections, it will be prudent to review strategies as such and new IDPs. In the FY under review the following LMs have reviewed their LED strategies:** • **Kouga LM supported by partnership with Canadian LMs and sponsored by SALGA** • **DRBN LM as the new amalgamated LM** • **Ndlambe is currently reviewing their strategy supported by COGTA**		
4	Number of LED stakeholder forum meetings held	4 Independent Power Producers (IPP) forum	4 IPPs	
5	Plans to stimulate second economy	• Working closing with Department of Small Business and conducted outreaches to all LMs to introduce and access Township Rural Enterprise Programme (TREP) funding • Working closing with Department of Economic Affairs Environment & Tourism) DEDEAT and conducted outreaches to all LMs to introduce and access Informal Business Support Programme (IBSP) funding • Working closing with Office of the Premier and conducted outreaches to all LMs to introduce and access Isiqalo Youth Fund		
6	Number and Percentage of SMME that have benefited from a SMME support program	28	50%	
7(A)	Number of job opportunities created through EPWP	118	32	27%

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
7(B)	Number of job opportunities created through CWP	0	0	0%
8	Number of job opportunities created through PPP	N/A	N/A	

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	10 019	2 881	29%
		Target set for the year or R(000)	**Achievement level during the year R(000)**	**Achievement percentage during the year vs the operational budget**
2	Salary budget as a percentage of the total operational budget	43 654	36 338	83%
		Target set for the year R(000)	**Achievement level during the year R(000)**	**Achievement percentage during the year vs the actual revenue**
3	Trade creditors as a percentage of total actual revenue	2%		
		Target set for the year (80% and more) R(000)	**Achievement level during the year R(000)**	**Achievement percentage during the year**
4	Total municipal own revenue as a percentage of the total actual budget	460 994	249 984	54%

		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	There are no municipal consumer debtors, as the District Municipality does not render any direct municipal services to the community.		
6	Percentage of MIG budget appropriately spent	The District Municipality does not receive a MIG allocation.		
7	Percentage of FMG budget appropriately spent	633	702	111%
8	AG Audit opinion	Unqualified with no material finds		
9	Functionality of the Audit Committee	5	5	100%
10	Submission of AFS after the end of financial year	30 September 2025	30 September 2025	100%

GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	This is a target for Local Municipalities and Metropolitan Municipalities and not for a District Municipality		
2	% of ward committees that are functional	This is a target for Local Municipalities and Metropolitan Municipalities and not for a District Municipality		
3	Existence of an effective system to monitor CDWs	CDWs are monitored by the Local Municipalities and the Provincial Government.		
4	Existence of an IGR strategy	The Municipality has an existing IGR Policy		
5	Effectiveness of IGR structural meetings	The Municipality's IGR structures meet regularly – refer to page 29		
6	Existence of an effective communication strategy	The Municipality has an effective communication strategy – refer to page 34.		
7	Number of Outreaches to LM's for IDP and Budget	7	7	100%
8	Existence of a fraud prevention mechanism	There is an Anti-Corruption and Fraud Prevention Committee in place. The Municipality has adopted an Anti-Corruption and Fraud Prevention Policy and Strategy. Anti-Corruption and Fraud Awareness Campaigns were conducted. The policy is due for reviewal.		